

separate insurance is taken out and shall promptly deliver to Mortgagee the policy or policies of such insurance.

2.6 Limitation on Conveyance. Mortgagor agrees that Mortgagee's willingness to enter into this financial transaction represented by the Note, secured by this Mortgage, was expressly based in part upon the consideration of the Mortgagor's covenants contained herein and in any agreement given in connection herewith, and upon Mortgagor's financial strength and ability to develop, improve and operate or manage the business to be conducted upon the Premises. Mortgagor agrees that these considerations are material consideration in the transaction out of which this Mortgage arises. Upon the sale, lease, exchange, assignment, conveyance, transfer or other disposition (herein collectively called Disposition) of all or any portion of the Property (or any interest therein), or all or any part of the beneficial ownership interest in Mortgagors (if Mortgagors are a corporation, partnership, trust, or other legal entity), or if Mortgagor conveys to any other party a security interest in the Property or any part thereof, then Mortgagee may, at Mortgagee's option, enforce any and all of Mortgagee's rights, remedies and recourses set forth in this Mortgage; provided, however, Mortgagee shall not enforce such rights, remedies and recourse if Mortgagee consents in writing to the Disposition in question. It is expressly agreed that the determination made by Mortgagee shall be conclusive and in connection with determining whether to grant or withhold such consent, Mortgagee may, among other things, (i) consider the creditworthiness of the party to whom such Disposition will be made and its management ability in respect to the mortgaged property, (ii) consider whether or not the security for repayment of the indebtedness and the performance of the covenants, warranties, representations, and obligations undertaken by Mortgagors as set forth in the Mortgage and other security documents (hereinafter called Obligation), or Mortgagee's ability to enforce its rights, remedies and recourses with respect to such security, will be impaired in any way by the proposed Disposition, (iii) require as a condition to granting such consent, an increase in the rate of interest payable under the Note, (iv) require that Mortgagee be reimbursed for all costs and expenses incurred by Mortgagee in investigating the creditworthiness and management ability of the party to whom such Disposition will be made in determining whether Mortgagee's security will be impaired by the proposed Disposition, (v) require the payment to Mortgagee of a transfer fee to cover the cost of documenting the Disposition in its records, (vi) require the payment of its reasonable attorney's fees in connection with such Disposition, (vii) require the express assumption of payment of the indebtedness and performance of the Obligations by the party to whom such Disposition will be made (with or without the release of Mortgagors from liability for such indebtedness and Obligations), (viii) require the execution of Assumption Agreements, Modification Agreements, Supplemental Security Documents and Financing Statements satisfactory in form and substance to Mortgagee, (ix) require endorsements (to the extent available under applicable law) to any existing mortgage title insurance policies or construction binders insuring Mortgagee's liens and security interests covering the mortgaged property, and (x) require additional security for the payment of the indebtedness and performance of the Obligations.

2.7 Junior Mortgages. Mortgagor will not, without the prior written consent of Mortgagee, execute or deliver any pledge, security agreement, mortgage or deed of trust covering all or any portion of the Premises ("Junior Mortgage"). If Mortgagee consents to the foregoing or in the event the foregoing prohibition is determined by a court of competent jurisdiction to

B  
i  
2  
0

4328 RV-21