

for the liens and security interests granted by the First Mortgage and the other Loan Documents and other liens permitted under the Second Mortgage Documents (herein the "Permitted Liens"). Except for Permitted Liens, the Developer will not permit any financing statement to be filed with respect to the Collateral or any portion thereof except in favor of the Secured Parties unless the Secured Parties consent to the filing of such financing statement. Except for the Permitted Liens, the Developer will notify the Secured Parties of, and will defend the Collateral against, all claims and demands of all persons at any time claiming the same or any interest therein.

(b) The Collateral will not be used, and was not purchased for, personal, family or household purposes and will be used solely for business purposes.

(c) Subject to the terms of subparagraph 2(e) hereof, the Collateral will be kept on the Premises, and the Developer will not remove the Collateral from the Premises without the prior written consent of the Secured Parties. The Developer may affix the Collateral to the Premises but will not affix it to any other real estate.

(d) At the request of the Secured Parties, the Developer has or will join the Secured Parties in executing financing and continuation statements identifying the Collateral and evidencing the security interest of the Secured Parties in the Collateral pursuant to the requirements of the Uniform Commercial Code and in form satisfactory to the Secured Parties. The Developer will pay the cost of filing the same in all public offices wherever filing is deemed by the Secured Parties to be necessary or desirable.

(e) Without the prior written consent of the Secured Parties, the Developer will not sell, exchange, dispose of, lease (except pursuant to a lease approved by the Secured Parties), offer to sell or otherwise transfer or otherwise deal with the Collateral or any portion thereof or interest therein, unless simultaneously therewith new items of Collateral, which items may be similar to those proposed to be disposed of and which shall be of equal or greater value, are substituted therefor. The Developer shall file with the Secured Parties a certificate signed by the Developer describing such portion of the Collateral as is being so disposed of and stating that the same has become obsolete, worn out, damaged, destroyed, sold, transferred, or exchanged, and that such portion of the Collateral will be replaced immediately upon the removal thereof. Such certificate likewise shall certify as to the reasonable and equivalent value of the property so acquired or to be acquired in replacement or substitution. All after acquired property of the Developer located on the Premises and all additions or replacements acquired pursuant to the provisions of this paragraph shall immediately be and become, without any other act on the part of the Developer, subject to the security interest and lien of this Security Agreement which security interest shall be prior to any other security interest or lien on such property. Unless expressly recited or provided to the contrary in this Security Agreement or in the other Loan Documents, the Developer may not hereafter acquire any property subject to prior security interests. If the Collateral or any part thereof is sold, transferred, exchanged or otherwise disposed of, the security interest of the Secured Parties shall extend to the proceeds of such sale, transfer, exchange or other disposition.

