

The Grantor covenants with the Grantee as follows

ARTICLE I

1.01 **Payment of Indebtedness.** The Grantor will pay the Note according to the tenor thereof and all other sums secured hereby promptly as the same shall become due.

1.02 **Monthly Deposits.** To secure further the payment of the taxes and assessments hereinafter referred to and the premiums on the insurance hereinafter referred to, and upon the request of Grantee, Grantor will deposit with Grantee on the first day of each and every month a sum which, in the estimation of Grantee, shall be equal to one-twelfth of the annual taxes, assessments and insurance premiums; said deposits to be held by Grantee, free of interest, and free of any liens or claims on the part of creditors of Grantor and as part of the security of Grantee, and to be used by Grantee to pay current taxes and assessments and insurance premiums on the premises as the same accrue and are payable. Said deposits shall not be, nor be deemed to be, trust funds but may be commingled with the general funds of Grantee. If said deposits are insufficient to pay the taxes and assessments and insurance premiums in full as the same become payable, Grantor will deposit with Grantee such additional sum or sums as may be required in order for Grantee to pay such taxes and assessments and insurance premiums in full. Upon any default hereunder or under the Note, Grantee may, at its option, apply any money in the fund resulting from said deposits to the payment of the indebtedness secured hereby in such manner as it may elect.

1.03 **Taxes, Liens and Other Charges.**

(a) In the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation, subsequent to the date hereof, in any manner changing or modifying the laws now in force governing the taxation of debts secured by deeds to secure debt or the manner of collecting taxes so as to affect adversely the Grantee, the Grantor will promptly pay any such tax; if the Grantor fails to make such prompt payment or if any such state, federal, municipal or other governmental law, order, rule or regulation prohibits Grantor from making such payment or would penalize Grantee if Grantor makes such payment, then the entire balance of the principal sum secured by this indenture and all interest accrued thereon shall, without notice, immediately become due and payable at the option of the Grantee.

(b) The Grantor will pay, before the same become delinquent, all taxes, liens, assessments and charges of every character already levied or assessed or that may hereafter be levied or assessed upon or against said premises and all utility charges, whether public or private; and upon demand will furnish the Grantee receipted bills evidencing such payment.

(c) The Grantor will not suffer any mechanic's, materialmen's, laborer's, statutory or other lien to be created or to remain outstanding upon any part of the premises.

1.04 **Insurance.** The Grantor will keep all buildings and improvements whether now standing on said premises or hereafter erected, continuously insured against loss or damage by fire, by the perils covered by extended coverage insurance, by builders risk insurance, by loss of rents or business interruption insurance and by malicious mischief insurance and against such other hazards as the Grantee in its sole discretion shall from time to time require for the benefit of the Grantee; all such insurance at all times will be in an insurance company or companies and in terms acceptable to the Grantee, with loss, if any, payable to the Grantee as its interest may appear, pursuant to a non-contributory mortgagee clause which shall be satisfactory to the Grantee; and forthwith upon the issuance of such policies the Grantor will deliver to the Grantee receipts for the premiums paid thereon. Any policies furnished to Grantee shall become its property in the event Grantee becomes owner of said premises by foreclosure or otherwise. The Grantee is hereby authorized and empowered, at its option, to adjust or compromise any loss under any insurance policies on the premises, and to collect and receive the proceeds from any such policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses directly to the Grantee, instead of to the Grantor and Grantee jointly. In case of loss under any such policy of insurance, the Grantee may apply the net proceeds to the payment of the indebtedness hereby secured, whether due or not, or the Grantee may require all buildings and improvements to be repaired or replaced by the use of said net proceeds.

1.05 **Care of Premises.**

(a) The Grantor will keep the improvements now or hereafter erected on the premises in good condition and repair, will not commit or suffer any waste and will not do or suffer to be done anything which will increase the risk of fire or other hazard to the premises or any part thereof.

(b) The Grantor will not, without the written consent of the Grantee, remove nor demolish nor alter the design or structural character of any building (now or hereafter erected), fixture, chattel or other part of the premises.

(c) If the premises or any part thereof is damaged by fire or any other cause, the Grantor will give immediate written notice of the same to the Grantee.

(d) The Grantee or its representative is hereby authorized to enter upon and inspect the premises at any time during normal business hours.

(e) The Grantor will promptly comply with all restrictive covenants, present and future laws, ordinances, rules and regulations of any governmental authority affecting the premises or any part thereof.

(f) If all or any part of the premises shall be damaged by fire or other casualty, the Grantor will, upon request of Grantee, promptly restore the premises to the equivalent of its condition immediately prior to such damage, and if a part of the premises shall be damaged through condemnation, the Grantor will, upon request of Grantee, promptly restore, repair or alter the remaining property in a manner satisfactory to the Grantee. In the event Grantor is required to restore, repair or alter the premises hereunder after fire, other casualty or condemnation, Grantor shall be entitled to any net insurance proceeds or condemnation proceeds which have been received as a result of said fire, other casualty or condemnation so to restore, repair or alter, but only to the extent of the cost of such restoration, repair or alteration.

1.06 **Further Assurances.** At any time, and from time to time, upon request by the Grantee, the Grantor will, at the expense of Grantor, make, execute and deliver or cause to be made, executed and delivered, to the Grantee, any and all other further instruments, certificates and other documents as may, in the opinion of the Grantee, be necessary or desirable in order to affirm, effectuate, complete, or perfect or to continue and preserve the obligations of the maker of the Note and the security interest of this Deed to Secure Debt and Security Agreement. Upon any failure by the Grantor so to do, the Grantee may make, execute and record any and all such instruments, certificates and documents for and in the name of the Grantor and the Grantor hereby irrevocably appoints the Grantee the agent and attorney in fact of the Grantor so to do.

1.07 **Expenses.** The Grantor shall (a) pay or reimburse the Grantee for all reasonable attorney's fees, costs and expenses incurred by the Grantee in any proceedings involving the estate of a decedent, an insolvent or a bankrupt, or in any action, legal proceeding or dispute of any kind in which the Grantee is made a party, or appears as party plaintiff or defendant, affecting the indebtedness secured hereby, this deed, the interest created herein, the premises or the exercise or enforcement of Grantee's rights under this deed including but not limited to the exercise of the power of sale of this deed, any condemnation action involving the premises or any action to protect the security hereof, and (b) indemnify and hold Grantee harmless from all losses and damages incurred by the Grantee in any such proceedings, action or dispute; and any such fees, costs, expenses, losses or damages incurred by Grantee shall be added to the indebtedness secured by this deed.

1.08 **Estoppel Affidavits.** The Grantor, upon ten (10) days' prior written notice, shall furnish the Grantee a written statement duly acknowledged, setting forth the unpaid principal of, and interest on, the indebtedness secured hereby and whether or not any off-sets or defenses exist against such principal and interest.

1.09 **Subrogation.** The Grantee shall be subrogated to the claims and liens of all parties whose claims or liens are discharged or paid with the proceeds of the indebtedness secured hereby.

1.10 **Performance by Grantee of Defaults by Grantor.** If the Grantor shall default in the payment of any tax, lien, assessment or charge levied or assessed against the premises, in the payment of any utility charge, whether public or private, in the payment of insurance premiums, in the procurement of insurance coverage and the delivery of the insurance policies required hereunder, or in the performance or observance of any other covenant, condition or term of this Deed to Secure Debt and Security Agreement, then the Grantee, at its option, may perform or observe the same, and all payments made or costs incurred by the Grantee in connection therewith, shall be secured hereby and shall be, without demand, immediately repaid by the Grantor to the Grantee with interest thereon at the rate of Nine Percent (9%) per annum. The Grantee shall be the sole judge of the legality, validity and priority of any such tax, lien, assessment, charge, claim and premium, of the necessity for any such actions and of the amount necessary to be paid in satisfaction thereof. The Grantee is hereby empowered to enter and to authorize others to enter upon the premises or any part thereof for the purpose of performing or observing any such defaulted covenant, condition or term, without thereby becoming liable to the Grantor or any other person in possession holding under the Grantor.

1.11 **Condemnation.** If all or any part of the premises shall be damaged or taken through condemnation (which term when used in this indenture shall include any damage or taking by any governmental authority and any transfer by private sale in lieu thereof), either temporarily or permanently, the entire indebtedness secured hereby shall, at the option of the Grantee, become immediately due and payable. The Grantee shall be entitled to all compensation, awards, and other payments or relief thereof and is hereby authorized, at its option, to commence, appear in and prosecute, in its own or the Grantor's name, any action or proceeding relating to any condemnation, and to settle or compromise any claim in connection therewith. All such compensation, awards, damages, claims, rights of action and proceeds and the right thereto are hereby assigned by the Grantor to the Grantee, who, after deducting therefrom all its expenses, including attorney's fees, may release any monies so received by it without affecting the security interest of this deed and may apply the same in such manner as the Grantee shall determine to the reduction of the indebtedness secured hereby, to any prepayment fee herein or in the Note provided and any balance of such monies then remaining shall be paid to the Grantor. The Grantor agrees to execute such further assignment of any compensation, awards, damages, claims, rights of action and proceeds as the Grantee may require.

ARTICLE II

2.01 **Event of Default.** An event of default shall have occurred under this Indenture if:

(a) The Grantor fails to pay when due and payable any installment of principal, interest and late charges in accordance with the terms of the Note, this Deed to Secure Debt and Security Agreement and all other instruments evidencing and securing the indebtedness secured hereby; or

(b) Grantor fails duly to observe any other covenant, condition or agreement of this Deed to Secure Debt and Security Agreement or of any other instrument evidencing, securing or executed in connection with the indebtedness secured hereby (hereinafter this Deed to Secure Debt and Security Agreement and said other instruments are sometimes collectively called the "Loan Documents"); or

(c) Any warranties or representations made or agreed to be made in any of the Loan Documents shall be breached by the Grantor or shall prove to be false or misleading; or

(d) Any lien for labor or material or otherwise shall be filed against the premises; or

(e) A levy shall be made under any process on, or a receiver be appointed for, the premises or any other property of Grantor; or

(f) Grantor or any guarantor of the Note shall commit any act of bankruptcy; or

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