

AND in consideration of the premises, the Grantors covenant and agree as follows:

1. That they are indefeasibly seized of said real estate in fee simple and have the right to convey the same; that the same is free from all encumbrances; that they will forever warrant and defend the title to the same against the lawful claims and demands of all persons whomsoever, and that they will take and cause to be taken such steps, including legal proceedings, as may at any time appear to the Trustee(s) and/or the holder or holders of the First Lien Note to be desirable to perfect the title to the same in the said Trustee(s).

2. That they will duly and punctually pay the principal sum of the First Lien Note and the coupons thereto attached and the subordinate lien note and the coupons thereto attached, if any, at the times and in the manner therein and herein provided.

3. That they will not, directly or indirectly, participate in the refunding of any unpaid interest upon any note hereby secured, and that they will not set up or claim the benefit of any homestead, dower, or other exemption or insolvency laws of any State, or of the United States against any claim for any sum or sums which may become due and payable under the covenants and agreements of any of the notes hereinabove described, or of this deed of trust, or against the securing or execution of any judgment sought thereon, all such exemptions being hereby expressly waived.

4. That on the 1st day of February, 1933, and Semi-Annually thereafter they will pay the sum of Forty + 50/100 (\$40.50) Dollars up to and including the first day of August, 1935; that on the _____ day of _____, 19____ and _____ thereafter, they will pay the sum of _____ Dollars up to and including the _____ day of _____, 19____ and will pay on the 1st day of August, 1935 the further sum of Thirty Hundred Fifty Dollars (\$1,350.⁰⁰)

in gold coin of the United States of America of the present legal standard of weight and fineness to Grayling Realty Corporation at its office in the city and State of New York or to such other person, persons or corporation as the said Trustee(s) and/or the holder or holders of the First Lien Note may designate, which said sums when so paid, shall be at once deposited in such bank or depository as the holder or holders of the First Lien Note may designate. All such sums so received and deposited shall be a Trust Fund and be applied, insofar as they shall be adequate therefor, to the payment of the principal and/or interest as it severally matures and as evidenced by the First Lien Note and coupons thereto attached and to the payment of the Subordinate Lien Note and coupons thereto attached, if any, at the times, in the amounts and in the manner as agreed to be paid.

5. That they will pay promptly, when due, all taxes, assessments, levies and charges upon the property hereinabove described and will pay any and all governmental taxes or assessments imposed, charged or assessed, during the life of this trust, either upon this trust deed or upon the indebtedness secured thereby or upon the notes evidencing the same, and will, before said taxes assessments, levies or charges are in default, exhibit official receipts for such payments to the said Trustee(s) and/or the holder or holders of the First Lien Note.

6. That, so long as any part of the debt hereby remains unpaid, they will, at their own cost and expense keep the buildings, improvements and appurtenances now or hereafter erected on the mortgaged premises, insured against loss or damage by fire, tornado and/or earthquake in a company or companies designated by the Trustee(s) and/or the holder or holders of the First Lien Note in the sum of not less than Thirty Hundred Fifty Dollars (\$1,350.⁰⁰), payable in case of loss, to the said Trustee(s), under the New York Standard Mortgage Clause with the Contribution Clause stricken out, and that they will assign and deliver to the Trustee(s) the policy or policies of insurance as collateral and further security for the payment of the principal and interest secured hereby. Where renewal policies are necessary in the performance of this covenant, the said Grantors will deliver them to the Trustee(s) at least ten days before the expiration of the existing insurance. All monies collected from any or all such insurance shall be applied by the said Trustee(s), to the payment and discharge of the indebtedness hereby secured, whether the same be due or not due, in the manner, order and with the same preferences and limitations herein provided for the application of any trust funds coming into the hands of the Trustee(s) under and by virtue of this instrument; provided, however, that in the discretion of the holder or holders of the First Lien Note, the Grantors may be allowed to use said proceeds of insurance to repair, replace or restore the injury caused by fire, tornado or earthquake, or for the construction of other permanent improvements on said real estate, and any proceeds of insurance which may not be so used shall be applied to the payment of the debt secured in the manner hereinabove directed, and the Grantors hereby agree to assign and do hereby assign and make payable any and all other or additional insurance now or hereafter in force on said premises, in the same manner, for the same security and with the same authority, and under the same agreements, covenants and conditions.

7. That they will keep the buildings and improvements on said premises constantly in good order and repair and not permit, suffer or commit waste, impairment or destruction of said property in any manner whatsoever.

8. That upon a failure or breach of performance of any of the covenants and agreements in paragraphs hereof marked 5, 6 and 7, the Trustee(s) and/or the holder or holders of the First Lien Note herein may, without notice to the Grantors, pay such taxes, assessments, levies and charges and take such steps as may be necessary to secure or redeem the said property from forfeiture or sale and effect or renew such fire, tornado and/or earthquake insurance and make such repairs as may be necessary to keep the improvements in good order and repair and take or cause to be taken, such steps, including legal proceedings, as may be desirable to prevent the commission of waste, impairment or deterioration of said property or any part thereof or to perfect the title to the said property in the Trustee(s), and all sums expended in the doing of or on account of the same shall be a part of the debt hereby secured and shall be secured as fully as the principal and interest of the notes herein are secured, and shall bear interest at the maximum rate allowed by law from the date of the expenditure thereof, and shall, together with the interest thereon, be repaid by the Grantors forthwith; but there is no obligation upon the Trustee(s) and/or the holder or holders of the principal note or bond hereinabove described and hereby secured to make such payments, or take such steps, nor shall any act of the Trustee(s) and/or the holder or holders of the said First Lien Note, nor any failure to act under the powers hereby vested in the said Trustee(s) and/or holder or holders of said principal note, nor any lapse of time, be construed as a waiver of any breach of the covenants and agreements contained herein.

9. That in the event of (a) default in the payment of any installment of principal or of any installment of interest at the times or in the manner provided in the notes and/or coupons secured hereby, or in the payment of any installment, if any, herein provided; or (b) default in the due observance or performance of any other covenant or condition herein required to be kept or performed by the Grantors; or (c) upon the actual or threatened demolition or removal of the buildings upon the mortgaged premises; or (d) the entering of any decree or order in any State or Federal Court appointing a Receiver of the Grantors or any of them, or their, his or its property or adjudicating them or any of them bankrupt, provided the same shall not be vacated within a period of sixty (60) days from the entry thereof; or (e) the execution of an assignment by the Grantors or any of them for the benefit of creditors or the filing by them or any of them of a voluntary petition in bankruptcy; or (f) the passing of any State or Federal law or the rendering by any Court of competent jurisdiction of a decision to the effect that the undertaking by the Grantors, or either of them as herein set out, to pay any tax or taxes or any other sum or sums or charge or charges, is illegal or inoperative, or to the effect that the amount or amounts paid by the Grantors, or either of them, or by the owner for the time being of the land and premises herein granted, as taxes, assessments, levies or charges on said land and premises or on this trust deed or upon the indebtedness secured hereby or upon the notes evidencing the same, shall be chargeable in whole or in part against the owner of said notes or trust deed, or against the indebtedness hereby secured or interest thereon; then, and in any such case, the principal of all of the notes and/or coupons hereby secured, with all arrears and interest thereon, may, and, if requested in writing by the holder, or by the guarantor or guarantors, if any, of said notes than outstanding, shall be declared by the Trustee(s) to be due and payable immediately, in which event said notes shall forthwith become due and payable by the Grantors, anything in said notes or herein contained to the contrary notwithstanding.

10. Upon the happening of any event of default as hereinabove provided, the Trustee(s), at the request of the holder or holders of the First Lien Note herein secured, personally or by attorney, with or without taking possession of the premises, and without production of the notes secured hereby in any legal proceeding, or proceedings or otherwise, may,

(a) Sell to the highest and best bidder upon such terms as to credit, partial credit or security and payment as may be deemed proper and expedient to the said Trustee(s), all and singular the mortgaged property and all the right, title, interest and equity of redemption therein of the Grantors, at public auction upon the premises or at a place to be selected by the Trustee(s) and after advertisement of the time, place and terms of said sale, for once a week for four (4) consecutive weeks, in some newspaper published in the city or county, wherein the property is located, or in the event that no newspaper is published therein, then in some newspaper published in the State of _____, and circulated in said city or county; or at such places and time or times and upon such notices as may be required by law, and said Trustee(s), as the attorney(s) in fact of the Grantors hereby duly authorized, constituted and appointed, may make, execute and deliver to the purchaser thereof a good and sufficient deed of conveyance of the same, which sale so made shall forever be a perpetual bar, both in law and in equity against the Grantors, and each of them, their, his or its heirs, successors and assigns and against all other persons claiming the mortgaged premises, or any part thereof by through or under them, him or it; or

(b) Proceed to enforce and protect its rights and the rights of the holders of the notes secured hereby by a suit or suits in equity or at law, whether for the specific performance of any covenant or agreement contained herein, or in aid of the execution of any power herein granted, or for the foreclosure hereof, or for the enforcement of any other appropriate legal or equitable remedy, as the Trustee(s) being advised by counsel, shall deem most effectual or advantageous;

(c) Enter into and upon said premises without notice and without regard to the adequacy of any security for the debt hereby secured, and take possession thereof, and to collect the rents, issues and the profits thereof and apply the same, less reasonable cost of collection, upon the indebtedness hereby secured; it being the intention of the parties to regard the aforesaid remedies as cumulative in their nature and the same may be employed by the said Trustee(s) concurrently or successively as the said Trustee(s) shall deem best or expedient.

(d) The Trustee(s) may postpone sale of all or any portion, of said property by public announcement at the time fixed by said notice of sale, and may thereafter postpone said sale from time to time by public announcement at the time fixed by the preceding postponement; and without further notice it may make such sale at the time to which the same shall be so postponed, provided, however, that the sale or any postponement thereof must be made at the place fixed by the original notice of sale.

11. The purchase money, proceeds, or avails of any sale of the property herein granted, made pursuant to judicial proceedings or otherwise, together with any other monies that may then be held by the Trustee(s) under this Indenture or payable to it as part of the true estate, shall be applied as follows:

First: To the payment of the costs and expense of enforcing this trust including reasonable counsel fees and a Trustee(s) commission of five per cent (5%) of the gross proceeds of such sale, unless otherwise provided for by law.

Second: To the payment of all sums paid out or expended by the Trustee(s) and/or the holder or holders of the First Lien Note under the covenants and agreements contained herein.

Third: To the payment of the whole amount then owing or unpaid upon the First Lien Note, for both principal and interest, or in case such proceeds shall be insufficient to pay in full the whole principal amount so due and unpaid upon said note and for interest as aforesaid, then to the payment of such principal and interest, ratably, without preference or priority of principal over interest or of interest over principal.