

taking of the Premises or any part thereof under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the Premises or the improvements thereon or any part thereof, or to any rights appurtenant thereto, including any award for change of grade of streets. Mortgagees are hereby authorized, but not required, on behalf and in the name of Mortgagors, to execute and deliver valid acquittances for, and to appeal from any such judgments or awards. Mortgagees shall either (1) apply all such sums or any part thereof so received, after the payment of all their expenses, including costs and attorney's fees, on the indebtedness secured hereby, or (2) at their option, the entire amount or any part thereof so received may be released.

Mortgagors covenant and agree with Mortgagees as follows:

1. Mortgagors are lawfully seized of an indefeasible estate in fee simple, free from encumbrances other than easements, covenants, conditions and restrictions of record, conditional assignments of Rentals on Premises, UCC filings of record, and subsequent years real property taxes, and the Underlying Indebtedness hereinafter described; have good right and power to convey the Premises, and do hereby warrant and will forever defend all and singular the Premises unto Mortgagees against Mortgagors and against every person whomsoever lawfully claiming or to claim the same or any part thereof.
2. To pay all sums secured hereby when due.
3. To pay, when due, all taxes and assessments of every type or nature levied or assessed against the Premises and any claim, lien or encumbrance against the Premises which may be or become prior to this Mortgage.
4. To keep, observe, perform, carry out and execute in every particular the covenants, agreements, obligations and conditions set out in this Mortgage, the note hereby secured.
5. If required by Mortgagees, to also make monthly deposits with Mortgagees, in a non-interest bearing account, together with, and in addition to interest and principal, of a sum equal to one-twelfth of the yearly taxes and assessments which may be levied against the Premises, and (if so required) one-twelfth of the yearly premiums for insurance thereon. The amount of such taxes, assessments and premiums, when unknown, shall be estimated by Mortgagees. Such deposits shall be used by Mortgagees to pay such taxes, assessments and premium when due. Any insufficiency of such account to pay such charges when due shall be paid by Mortgagors to Mortgagees on demand. If, by reason of any default by Mortgagors under any provision of this Mortgage, Mortgagees declare all sums secured hereby to be due and payable, Mortgagees may then apply funds in said account against the entire indebtedness secured hereby. The enforceability of the covenants relating to taxes, assessments and insurance premiums herein otherwise provided shall not be affected except in so far as those obligations have been met by compliance with this paragraph. Mortgagees may from time to time at their option waive, and after any such waiver reinstate, any or all provisions hereof requiring such deposits, by notice to Mortgagors in writing. While any such waiver is in effect, Mortgagors shall pay taxes, assessments, and insurance premiums as herein elsewhere provided.