

indebtedness secured hereby immediately due and payable and exercise its other rights and remedies set out in Article IV herein.

3.5 Oil, Gas or Mineral Leases. As additional and collateral security for the payment of the indebtedness, Mortgagor hereby assigns to Mortgagee all of the bonus, rents, royalties, rights and benefits accruing under all oil, gas or mineral leases affecting the Premises, or which may hereafter affect the Premises, including all water and riparian rights, and the lessee or assignee or sublessee is hereby directed upon production of the holder of the indebtedness secured hereby of a certified copy hereof, to pay said bonus, rents, royalties, rights, and benefits to Mortgagee. This assignment is to become effective, however, only upon Mortgagor's default in any condition or term of this Mortgage or the Note, such direction to terminate and become null and void upon payment of the indebtedness hereby secured.

3.6 Estoppel Certificates. Mortgagor shall procure and deliver to Mortgagee at any time within thirty (30) days after notice and demand estoppels from each lessee, in form satisfactory to Mortgagee.

3.7 Future Leases. Mortgagor will advise Mortgagee promptly of the execution hereafter of any lease of any part of the premises and, upon Mortgagee's written request, it will submit to Mortgagee for examination and approval any such lease and, if Mortgagee so requests, Mortgagor will assign such lease to Mortgagee, such assignment to be in form satisfactory to Mortgagee; and it is further agreed that the provisions of this Mortgage with regard to Mortgagor's obligations and Mortgagee's rights with respect to leases and assignments of such leases shall apply to all such additional leases and assignments thereof.

3.8 Application of Rents and Other Income. All earnings, revenues, issues, profits, income and rents collected by Mortgagor shall be applied in the following manner:

First, to the payment of all taxes, insurance premiums, prior charges and lien assessments levied against the Premises or any part thereof;

Second, to the payment of ground rents, if any, payable with respect only to the Premises if the Premises is a leasehold estate;

Third, (i) to the payment of reasonable compensation for Mortgagee's legal services, Mortgagee's agents, clerks, servants and other employees engaged or employed in respect to the Premises and (ii) any amounts due and owing to Mortgagee under the terms of any note and/or obligation secured hereby;

Fourth, to the payment of current operating costs and expenses (including repairs, maintenance, renewals, replacements, alterations, security, improvements and necessary acquisitions of property) and expenditures for capital improvements arising in connection with the premises;

Fifth, the remainder, if any, to Mortgagor or its designee.

3.9 Priority of Application. All rents collected by Mortgagee may be applied to the items in Section 3.8 above listed in any manner that Mortgagee deems advisable and without regard

1609  
PAGE 722

4328 RV-2