

to the indebtedness or other obligations secured hereby, or any part thereof.

(2) Mortgagee's Right to Perform. Upon Mortgagor's failure to make any payment or perform any act required by the loan instruments, then at any time thereafter, and without notice to or demand upon Mortgagor, Mortgagee may (but shall not be obligated to) make such payment or perform such act for the account of and at the expense of Mortgagor, and shall have the right to enter the Mortgaged Property for such purpose and to take all such action thereon as Mortgagee may deem necessary or appropriate.

(3) Title to and Nature of Mortgaged Property. Mortgagor has in its own right good, perfect and indefeasible title in fee simple, except as otherwise provided herein, to the Mortgaged Property which is free from encumbrance superior to the indebtedness secured hereby, except as otherwise provided herein, and has full right to make this conveyance.

(4) Organization and Power. If applicable, Mortgagor is duly organized and validly existing under applicable state laws and the transaction contemplated hereby is within Mortgagor's powers, has been duly authorized by all requisite action and is not in contravention of law or the powers of Mortgagor's articles of incorporation or bylaws, or partnership or joint venture agreement, as the case may be.

(5) Existence of Mortgagor. Mortgagor will preserve and keep in full force and effect its existence, rights, franchises, and trade names.

(6) Insurance. Mortgagor will keep all insurable Mortgaged Property, including, without limitation, the boiler, if applicable, insured against the risks covered by policies of comprehensive general liability, fire and extended coverage insurance, rental loss insurance, worker's compensation coverage and such other risks as Mortgagee may require, such insurance to be written in amounts, in form and with companies acceptable to Mortgagee, with loss made payable to Mortgagee by mortgagee clauses of standard form, and will deliver the policies of insurance to Mortgagee promptly as issued; and in case Mortgagor fails to do so, Mortgagee, at its option, may procure such insurance at Mortgagor's expense. All renewal and substitute policies of insurance shall be delivered at the office of Mortgagee, premiums paid, at least forty-five (45) days before termination of policies theretofore delivered to Mortgagee. All insurance policies shall have mortgagee endorsements approved by Mortgagee including provisions for forty-five (45) days prior written notice of amendment or termination. In case of loss, Mortgagee, at its option and in its sole discretion, shall be entitled to receive and retain the proceeds of the insurance policies, applying the same upon the indebtedness secured hereby, provided, however, in case of a loss equal to or less than \$500,000 (in repair amount), Mortgagee shall make available such insurance proceeds for the repair of the Mortgaged Property. If any loss shall occur at any time when Mortgagor shall be in default in the performance of this covenant, Mortgagee shall be entitled to the benefit of all insurance held by or for any Mortgagor, to the same extent as if it had been made payable to Mortgagee and upon foreclosure hereunder, Mortgagee shall become the owner thereof. If the Mortgaged Property or any part thereof is located within an area that has been, or should such area at any time be, designated or identified as an area having special flood hazards by any governmental authority having jurisdiction, then Mortgagor will obtain such insurance as is required by such governmental authority in amounts required by Mortgagee.