

seized of the real property in fee simple and has a good right to sell and convey the same, that the property and improvements are free from all encumbrances and that the Mortgagor and Mortgagor's heirs, executors, administrators and assigns will forever defend the same unto Mortgagee and its successors and assigns against the claims of all persons whomsoever.

This Mortgage is made, however, subject to the following covenants, conditions and agreements:

1. That Mortgagor agrees to pay the principal of and interest on the indebtedness evidenced by the above mentioned note, at the times and in the manner therein provided, the monies evidenced by said note having been used by Mortgagor to purchase all or a portion of the property covered hereby.

2. So long as any of the indebtedness secured hereby shall remain unpaid, in whole or in part, the Mortgagor agrees to keep the premises and the improvements thereon in good condition and repair, and to pay all taxes, assessments and all other charges, judgments or claims of whatever nature that may be imposed against or become liens upon the premises, or the tenements, hereditaments or appurtenances thereunto, the rents, issues or profits therefrom or the buildings or improvements thereon, or any part thereof, not to permit any such lien (whether or not equal or superior hereto) to accrue and remain thereon or on any part thereof, and to comply with all laws and ordinances now or hereafter in effect, and all rules, regulations, requirements and orders of all governmental authorities or agencies now or hereafter affecting said premises or the sidewalks adjacent thereto or any buildings, structures, fixtures, equipment and improvements thereon or the use or occupancy thereof. Mortgagor agrees to indemnify and hold Mortgagee financially harmless from the consequences of any violation of such laws, ordinances, rules, regulations, requirements or orders, and the Mortgagor further agrees that Mortgagor will not permit any unlawful occupation, business or trade to be conducted on said premises or any use to be made thereof contrary to any such law, ordinance, rule, regulation, requirement or order.

3. Mortgagor will continuously maintain hazard insurance of such type or types as Mortgagee may from time to time require in amounts equal to the full insurable value thereof on the improvements now or hereafter on the premises, and will pay promptly when due any premiums therefor. All insurance shall be carried in companies satisfactory to the Mortgagee and the policies and renewals thereof shall be held by Mortgagee (or persons authorized by Mortgagee to hold the same), and shall have attached thereto loss payable or mortgagee clauses in favor of and in form acceptable to Mortgagee. The policies shall provide against termination or cancellation for any reason without five days' prior notice to Mortgagee, to Bankers Trust Company, 16 Wall Street, New York 5, New York addressed to the attention of the Corporate and Pension Division and to Phillips, addressed in care of its Sales Department, Bartlesville, Oklahoma. In the event of loss, Mortgagor will give immediate notice by mail to Mortgagee, who may make proof of loss if such proof is not promptly made by Mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Mortgagee instead of to the Mortgagor and Mortgagee jointly, and the insurance proceeds, or any part thereof, may be applied by the Mortgagee at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged, it being understood that Mortgagee shall exercise such option in accordance with the wishes of Phillips. In the event of foreclosure of this Mortgage or other transfer of title to the mortgaged property in lieu of foreclosure, all right, title and interest of the Mortgagor in and to the insurance policies then in force shall pass to the purchaser or grantee. Notwithstanding any other provision of this Mortgage, it is understood that Mortgagee shall delegate to Phillips any right granted to Mortgagee by this paragraph 3 with respect to requiring certain type or types of insurance to be maintained, determining the companies in which