

of mechanics, materialmen, laborers and others for work or labor performed, or materials or supplies furnished in connection with any work of demolition, alteration, improvement of or construction upon the Premises and the Mortgagor will do or cause to be done everything necessary so that the first lien of this Mortgage shall be fully preserved, at the cost of the Mortgagor, without expense to the Mortgagee.

1.09 Taxes and Assessments. The Mortgagor shall pay in full when due, and in any event before any penalty or interest attaches, all general taxes and assessments, special taxes, special assessments, water charges, sewer service charges, and all other charges against the Premises and shall furnish to Mortgagee official receipts evidencing the payment thereof.

1.10 Indemnification. The Mortgagor shall appear in and defend any suit, action or proceeding that might in any way and in the sole judgment of Mortgagee affect the value of the Premises, the priority of this Mortgage or the rights and powers of Mortgagee. Mortgagor shall, at all times, indemnify, hold harmless and on demand, reimburse Mortgagee for any and all loss, damage, expense or cost, including cost of evidence of title and attorneys' fees, arising out of or incurred in connection with any such suit, action or proceedings, and the sum of such expenditures shall be secured by this Mortgage and shall bear interest at the rate provided in the Note and secured hereby and shall be due and payable on demand. Mortgagor shall pay cost of suit, cost of evidence of title and reasonable attorneys' fees in any proceeding or suit brought by Mortgagee to foreclose this Mortgage.

1.11 Sale of Premises.

a. In order to induce Mortgagee to make this loan, Mortgagor agrees that if the Premises or any part thereof or interest therein is sold, assigned, transferred, conveyed or otherwise alienated by Mortgagor, whether voluntarily, or involuntarily or by operation of law, or that if the management thereof is changed, in either or any case without the prior written consent of Mortgagee, Mortgagee, at its option, may declare the Note secured hereby and all other obligations hereunder to be forthwith due and payable. The Mortgagee may condition its consent upon an increase in the interest rate of the Note to the then current market rate for new loans secured by property similar to the Premises, which rate shall be designated by Mortgagee or its assigns, and the Mortgagor shall pay all costs incurred thereby, including any costs, including Mortgagee's legal fees, of amending the Note, the Mortgage, and any other documents securing the Note, and of obtaining a title insurance endorsement. In addition, the Mortgagee may charge a fee for processing any application seeking the consent of the Mortgagee. In the event of any increase in the interest rate of the Note pursuant to the terms of this paragraph, the monthly payments of principal and interest under the Note will be increased so as to fully amortize the remaining principal balance over the remainder of the Amortization Period, as such term is defined in the Note.

b. Except as otherwise provided hereinbelow in subparagraph c, any change in the legal or equitable title of the Premises or in the beneficial ownership of the Premises whether or not of record and whether or not for consideration or sale or other disposition of the stock of the borrowing entity or disposition of any partnership interests of Mortgagor shall be deemed transfer of an interest in the Premises. In connection herewith, the financial stability and managerial and operational ability of Mortgagor are a substantial and material consideration to Mortgagee in its agreement to make the loan to Mortgagor secured hereby. The transfer of an interest in the Premises or change in the person or entity operating and managing the property may significantly or materially alter and reduce Mortgagee's security for the indebtedness secured hereby.

(c) Notwithstanding the foregoing, the following transfers of ownership shall not be considered a transfer of an interest in the Premises in violation of the terms of paragraph 1.11:

(i) Transfer by devise or descent;