

sheet of the Mortgage Company and a statement of operations for the year ended on such date, which statements were prepared in accordance with generally accepted accounting principles and fairly set forth the financial condition of the Mortgage Company at the date thereof and its net loss for the period reported.

(e) There has not been any material adverse change in the financial condition, assets, liabilities, business or operations of the Mortgage Company since February 28, 1974.

(f) There are no liabilities, judgments or claims against the Mortgage Company, or any of its subsidiaries, whether contingent or absolute, direct or indirect, matured or unmatured, including but not limited to liabilities or claims for federal, state or local taxes, penalties or assessments, which are not set forth or provided for on the balance sheet of the Mortgage Company referred to in paragraph 9(d) above other than those arising in the ordinary course of its mortgage banking business since the date of such balance sheet.

(g) All federal, state and local tax returns required of the Mortgage Company, its subsidiaries and any joint venture or partnership of which the Mortgage Company or any subsidiary of it is a member or participant (hereinafter referred to as "affiliated joint venture or partnership") have been filed as such returns have become due, and all such returns covering the fiscal years ending through December 31, 1973, have been filed, and all taxes reflected thereon have been paid on or before the due date, and the Mortgage Company has obtained an extension for filing its return for the year ending February 28, 1974, which consolidated return will show that no taxes are due for said year.

(h) All real estate taxes required to be paid on all real properties owned by the Mortgage Company or any of its subsidiaries or affiliated joint ventures or partnerships have been paid as and when they became due and none are presently delinquent with the possible exception of such taxes levied against the Parkway Towers

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