

(x) should the Permanent Commitment be terminated for any reason or should Mortgagor fail to comply with any term or condition of the Permanent Commitment or should any event or condition occur permitting Permanent Lender to allege that it is not obligated to fund under the terms of the Permanent Commitment; or

(xi) should any event of default occur under any term or condition of the Assignment of Borrower's Interest in Contract Documents of even date by Mortgagor in favor of Mortgagee.

2. The terms and conditions of the loan commitment from Mortgagor to Mortgagee, dated June 4, 1980, as accepted by Mortgagor are hereby incorporated by reference and made a part hereof as if fully set forth herein and shall be deemed to be the loan commitment of Mortgagee as that term is used herein.

3. The terms and conditions of the commitment from First Federal Savings & Loan Association of Augusta ("Permanent Lender") in favor of Mortgagor dated May 17, 1980, as amended, as accepted by Mortgagor are hereby incorporated by reference and made a part hereof, as if fully set forth herein, the aforesaid being herein called "Permanent Commitment".

4. Mortgagor hereby authorizes Mortgagee to pay any sums in any form or manner deemed expedient by Mortgagee to cure any breach or violation under the Lease as defined in that certain Assignment of Lessor's Interest in Lease of even date by Mortgagor in favor of Mortgagee and to rely on any representations and statements of the Lessees of the Lease. Any such funds expended may be expended by Mortgagee without inquiry into the accuracy or validity thereof.

5. Mortgagor hereby authorizes Mortgagee to pay all sums necessary to cure any alleged event of default under the Permanent Commitment. Any such funds expended may be expended by Mortgagee without inquiry into the accuracy or validity thereof. Any amounts so expended shall bear interest as provided in the Note and shall be added to and become a part of the Secured Indebtedness and shall be immediately due and payable to Mortgagee.

6. Mortgagor hereby assigns and transfers all of its interest in the trade name of "BIRDSNEST APARTMENTS".

7. Mortgagor's address is:

Encina Properties  
600 Azalea Road  
P. O. Box 4236  
Mobile, Alabama 36604  
Attn: Mr. James E. Ladner, President

Mortgagee's address is:

The Citizens and Southern National Bank  
Commercial Real Estate Department  
P. O. Box 4065  
Atlanta, Georgia 30302  
Attn: Mr. R. McKenzie Daniel

8. The Mortgagor acknowledges that this Mortgage and the Note which it secures have been executed and delivered in the State of Georgia; that Mortgagee is a national banking association, chartered under the laws of the United States of America, located in the State of Georgia; and that under Title 12, Section 85, of the United States Code, the maximum rate of interest which Lender may take, receive, reserve and charge on the indebtedness evidenced hereby, shall be determined in accordance with the laws of the State of Georgia, except to the extent that such laws have been preempted by Section 501(a)(1) of the

