

1.12 Estoppel Affidavits. Mortgagor, upon ten (10) days' prior written notice, shall furnish Mortgagee a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on, the Indebtedness, stating whether or not any offsets or defenses exist against the Indebtedness, or any portion thereof, and, if such offsets or defenses exist, stating in detail the specific facts relating to each such offset or defense.

1.13 Subrogation. To the full extent of the Indebtedness, Mortgagee is hereby subrogated to the liens, claims and demands, and to the rights of the owners and holders of each and every lien, claim, demand and other encumbrance on the Premises or the City Project which is paid or satisfied, in whole or in part, out of the proceeds of the Indebtedness, and the respective liens, claims, demands and other encumbrances shall be, and each of them is hereby, preserved and shall pass to and be held by Mortgagee as additional collateral and further security for the Indebtedness, to the same extent they would have been preserved and would have passed to and been held by Mortgagee had they been duly and legally assigned, transferred, set over and delivered unto Mortgagee by assignment, notwithstanding the fact that any instrument providing public notice of the same may be satisfied and cancelled of record.

1.14 Books, Records, Accounts and Annual Reports. Mortgagor shall keep and maintain or shall cause to be kept and maintained, at Mortgagor's cost and expense and in accordance with generally accepted accounting principals, proper and accurate books, records and accounts reflecting all items of income and expense in connection with the operation of the Premises and the City Project and in connection with any services, equipment or furnishings provided in connection with the operation of the Premises and the City Project. Mortgagee, by Mortgagee's agents, accountants and attorneys, shall have the right from time to time to examine such books, records and accounts, to make copies