

and all present and future rights against guarantors of any such obligations and to any and all rents, issues and profits (including without limitation room sales) collected under the Leases or other rentals. This assignment is given to facilitate payment and performance of the Note, this Mortgage and any other security agreements at any time securing the Note. In pursuance of this assignment, and not in lieu hereof, Mortgagor shall, at the request of Mortgagee, give Mortgagee separate specific Assignments of Rents and Lease covering some or all of such leases, the terms of such assignments being incorporated herein by reference.

(b) Mortgagor hereby authorizes and directs the lessees and tenants of the Mortgaged Property that, upon written notice from Mortgagee, all payments required under the Leases, or in any way respecting same, shall be made directly to the Mortgagee as they become due. Mortgagor hereby relieves said lessees and tenants from any liability to Mortgagor by reason of said payments being made to Mortgagee. Nevertheless, until Mortgagee notifies in writing said lessees and tenants to make such payments to Mortgagee, Mortgagor shall be entitled to collect all such rents and/or payments. Mortgagee is hereby authorized to give such notification in the event of any breach or default by Mortgagor under Paragraph B(1) hereof, and upon the expiration of any applicable grace period following notice of default, and such notification may be given thereafter at any time during which said default remains uncured.

(c) All rents collected by Mortgagor shall be applied in the following manner:

First, to the payment of all taxes and lien assessments levied against the Mortgaged Property, where provision for paying such is not otherwise made;

Second, to the payment of ground rents (if any) payable with respect to the Mortgaged Property;

Third, to the payment of any amounts due and owing to Mortgagee under the terms of any obligation secured hereby;

Fourth, to the payment of current operating costs and expenses (including repairs, maintenance and necessary acquisitions of property and expenditures for capital improvements) arising in connection with the Mortgaged Property;

Fifth, to Mortgagor or its designee.

All rents collected by Mortgagee may be applied to the items above listed in any manner that Mortgagee deems advisable and without regard to the aforesated priorities. Receipt by Mortgagee of such rents, issues, and profits shall not constitute a waiver of any right that Mortgagee may enjoy under this Mortgage or under applicable law, nor shall the receipt and application thereof cure any default hereunder nor affect any foreclosure proceeding authorized by this Mortgage and applicable law.

A(11) Within thirty (30) days after the close of each quarterly accounting period of Mortgagor, Mortgagor will deliver to Mortgagee statements of income and expenses covering the financial operation of the Mortgaged Property together with such further information as Mortgagee may reasonably request relating to any of such statements and/or the operation of the Mortgaged Property.

A(12) It is understood that the payment of the obligations secured by this Mortgage is also secured by security interests in Mortgagor's rights and interests in the personal property used on, in or

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