

thereby becoming liable to Mortgagor or any person in possession holding under Mortgagor.

1.12 Books and Records. Mortgagor shall keep and maintain at all time complete, true and accurate books of accounts and records reflecting the results of the operation of the Mortgaged Property. Mortgagor shall permit Mortgagee to inspect said books and records upon request by Mortgagee. Also within ninety (90) days after the end of Mortgagor's fiscal or calendar year, as applicable, Mortgagor will furnish Mortgagee a balance sheet and statement of net income or net loss of Mortgagor, prepared in accordance with generally accepted accounting principles.

1.13 Estoppel Affidavits. Mortgagor, within ten (10) days after written request from Mortgagee, shall furnish a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on, the Note, and any other unpaid sums secured hereby, and whether or not any offsets or defenses exist against such principal and interest or other sums.

ARTICLE TWO

DEFAULTS

2.01 Event of Default. The term Event of Default, wherever used in this Mortgage, shall mean any one or more of the following events:

- (a) An event of default under the Construction Loan Agreement.
- (b) A breach by Mortgagor of any of the covenants, agreements and conditions of Article One hereof.
- (c) Failure by Mortgagor to duly keep, perform, and observe any other covenant, condition or agreement in the Note, this Mortgage and Security Agreement, or any other instrument securing the Note or any other instrument collateral to the Note or executed in connection with the sums secured hereby, including a default by Mortgagor as Landlord under leases covering all or part of the Mortgaged Property.
- (d) If either (A) Mortgagor or any guarantor or endorser of the Note; (i) files a voluntary petition in bankruptcy, or (ii) is adjudicated as a bankrupt or insolvent, or (iii) files any petition or answer seeking or acquiescing in any reorganization, management, composition, readjustment, liquidation, dissolution or similar relief for itself under any law relating to bankruptcy, insolvency or other relief for debtors, or (iv) seeks or consents to or acquiesces in the appointment of any trustee, receiver, master or liquidator of itself or of any or any substantial part of the Mortgaged Property or of any or all of the rents, revenues, issues, earnings, profits or income thereof, or (v) makes any general assignment for the benefit of creditors, or (vi) makes an admission in writing of its inability to pay its debts generally as they become due; or (B) a court of competent jurisdiction enters an order, judgment or decree approving a petition filed against Mortgagor or any guarantor or endorser of the Note, seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state, or other statute, law of regulation relating to bankruptcy, insolvency or other relief for debtors, which order, judgment or decree remains unvacated and unstayed for any aggregate of sixty (60) days (whether or not consecutive) from the date of entry thereof; or (c) any