

the owner and holder of the Note hereby secured shall not be obligated to make any payment of principal or interest with respect to any note secured by any of the "prior encumbrances." The owner and holder of the Note hereby secured is hereby expressly granted the right, but shall not be required or obligated, to cure any default and make any payment with respect to any Note secured by said "prior encumbrances," and any and all amounts so paid by such owner and holder for said purpose shall forthwith be due and payable from First Party, together with interest thereon at the default rate as provided in the Note hereby secured, and all said sums, until paid, shall also be secured by the lien created by this "Wrap-Around Deed of Trust." First Party expressly covenants and agrees that to the extent the owner and holder of the Note hereby secured shall pay any installment of principal or interest or any other sum, directly or indirectly, which is due under the terms and provisions of any of the said notes or said "prior encumbrances," or for the payment of any principal, interest, real estate taxes, or insurance or any other payment contained, required or permitted under any of the said notes secured by said "prior encumbrances," the owner and holder of the Note hereby secured shall thereupon become entitled to a lien upon the property, but equal in rank and priority to the respective "prior encumbrances" and, in addition, to the extent necessary to make effective such rank and priority:

(i) The owner and holder of the Note hereby secured shall become subrogated to, receive and enjoy all of the rights, liens, powers and privileges granted to the owner and holder of any such note secured by any such "prior encumbrance," together with all such rights, liens, powers and privileges granted to the Party of the Second Part and Beneficiary with respect to each such "prior encumbrance," and

(ii) The "prior encumbrances" shall remain in existence for the benefit of and to further secure the debt and other sums due and owing to the owner and holder of the Note secured hereunder.

Concurrently herewith the First Party and the owner and holder of the Note hereby secured have entered into and executed a Subrogation Agreement, to which instrument reference is hereby made for the terms thereto.

In the event of default by First Party with respect to any of the terms or obligations herein provided to be undertaken, observed or performed, the Beneficiary hereunder, in addition to any other rights and remedies otherwise available to it may, but shall not be required, make any payment or perform any act herein required of First Party in any form and manner deemed expedient, and Beneficiary may, but shall not be required, to make full or partial payments of principal or interest with respect to the "prior encumbrances," and purchase, discharge, compromise and/or settle any "prior encumbrance," any tax lien or any other prior or superior lien or title or claim thereof, and/or redeem from any tax sale or forfeiture effecting any of the property and/or contest any tax or assessment concerning the property. All sums paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including reasonable attorneys' fees, and any other sums advanced by Beneficiary to protect the property herein described and the lien of this "Wrap-Around Deed of Trust" shall be so much additional indebtedness secured hereby and shall become immediately due and payable without notice and with interest thereon at the default rate set forth in the Note hereby secured. Inaction or failure of Beneficiary