

Seventh: EXPENSES. The Debtors will pay or reimburse the Mortgagee for all reasonable attorney's fees, costs and expenses incurred by the Mortgagee in any proceedings involving the estate of a decedent or an insolvent, or in any action, legal proceeding or dispute of any kind in which the Mortgagee is made a party or appears as a party plaintiff or defendant affecting the indebtedness secured hereby, this mortgage or the interest created herein or the premises, including, but not limited to, any action to foreclose this mortgage and security agreement, enforcement of payment of the note secured hereby; any condemnation action involving the premises or any action to protect the security hereof; and any such amounts paid by the Mortgagee shall be added to the indebtedness secured by the lien of this mortgage.

Eighth: ESTOPPEL AFFIDAVITS. The Debtors, upon ten days prior written notice, shall furnish the Mortgagee a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on, the indebtedness secured hereby and whether or not any off-sets or defenses exist against such principal and interest.

~~Ninth: SUBROGATION. The Mortgagee shall be subrogated to the claims and liens of all parties whose claims or liens are discharged or paid with the proceeds of the indebtedness secured hereby.~~

Tenth: PERFORMANCE BY MORTGAGEE OF DEFAULTS BY MORTGAGOR. If the Mortgagor shall default in the payment of any tax lien, assessment or charge levied or assessed against the premises; in the payment of any utility charge, whether public or private; in the payment of any insurance premium; in the procurement of insurance coverage and the delivery of the insurance policies required hereunder or in the performance or observance of any other covenant, condition or term of this mortgage and security agreement then the Mortgagee, at its option, may perform or observe the same, and all payments made for costs or expenses incurred by the Mortgagee in connection therewith, shall be added to the debt secured hereby and shall be, without demand, immediately repaid by the Debtors to the Mortgagee. The Mortgagee shall be the sole judge of the legality, validity and priority of any such tax lien, assessment, charge, claim or premium; of the necessity for any such actions and of the amount necessary to be paid in satisfaction thereof. The Mortgagee is hereby empowered to enter and to authorize others to enter upon the premises or any part thereof for the purpose of performing or observing any such defaulted covenant, condition or term, without thereby becoming liable to the Mortgagor or any person in possession holding under the Mortgagor. In the event any such charge is contested by the Mortgagor in good faith, Mortgagor will be entitled, in lieu of \*

Eleventh: ACCOUNTS. With respect to the said premises and the operations thereof the Mortgagor will keep or cause to be kept, in accordance with generally accepted accounting principles, such books of record and account as may be required to accurately reflect its interest in said premises and operations. The Mortgagee shall have the right to examine said books of record and account annually, or more often upon the occurrence of any default under this instrument, at such reasonable times and intervals as the Mortgagee may elect. The Mortgagor will furnish to the Mortgagee within ninety days after the end of each fiscal year of the Mortgagor a statement of income and expenses accurately setting forth the operation of its interest in said premises and operations for such fiscal year in reasonable detail and stating in comparative form the figures as of the end of their previous fiscal year, certified by a Certified Public Accountant satisfactory to the Mortgagee, also a rent schedule (as of the end of the fiscal year) showing units occupied classified by size or type, rents per month per unit and also showing vacant units and proposed rent therefrom.

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\*payment, to deposit with Mortgagee an amount sufficient to discharge the same, pending resolution of such contest.

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