

any other instrument evidencing or securing the Obligations, Mortgagee may at its option perform or observe the same, and all payments made (whether such payments are regular or accelerated payments) and all costs and expenses incurred or paid by Mortgagee in connection therewith shall become due and payable immediately by Mortgagor. The amounts so incurred or paid by Mortgagee, together with interest thereon at the interest rate set forth in Section 3(b) of the Financing Agreement from the date incurred until paid by Mortgagor, shall be added to the Obligations and secured by the lien of this Mortgage. Nothing contained herein shall be construed as requiring Mortgagee to advance or expend monies for any purposes mentioned in this paragraph, or for any other purpose. Mortgagee is hereby empowered to enter and to authorize others to enter upon the Mortgaged Property or any part thereof for the purpose of performing or observing any such defaulted covenant, condition or terms, without thereby becoming liable to Mortgagor or any person in possession holding under Mortgagor.

1.15 Books and Records. Mortgagor will furnish to Mortgagee all balance sheets, statements of income and expense, statements in changes in financial position, consolidated and audited annual statements, cash flow projections, pro forma balance sheets, SEC and shareholder reports, and all other financial information required by and in accordance with the terms of the Financing Agreement. Mortgagor shall permit Mortgagee to inspect all said books, records and reports in accordance with the terms of the Financing Agreement.

1.16 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 Notes and any other Obligations secured hereby, and whether or not any offsets or defenses exist against such sums.

1.17 Subrogation. 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 Obligations secured hereby.

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) Failure by Mortgagor to pay as and when due and payable any installment of principal or interest or deposits [as may be required by Paragraphs 1.05(c) and 1.06(d)] as required by the Notes, this Mortgage, the Financing Agreement or any other instrument evidencing or securing the Obligations;

(b) Failure by Mortgagor to duly observe or perform any other term, covenant, condition or agreement of this Mortgage; or