

interest on, the Indebtedness, stating whether or not any offsets or defenses exist against the Indebtedness, or any portion thereof, and, if such offsets or defenses exist, stating in detail the specific facts relating to each such offset or defense.

1.12 Financial Statements. Borrower will cause to be delivered to Lender as soon as practicable, but in any event within one hundred twenty (120) days after the close of each operating year of Borrower, a statement of condition or balance sheet of Borrower as of the end of each operating year, all certified as to accuracy by an independent certified public accountant, and an annual operating statement showing in reasonable detail all income and expenses of Borrower prepared by Borrower and certified as to accuracy by an independent certified public accountant. Borrower will furnish to Lender, at any time within thirty (30) days after demand by Lender, unaudited statements, certified by Borrower's principal financial or accounting officer, covering such financial matters as Lender may reasonably request.

1.13 Limit of Validity. If from any circumstances whatsoever, fulfillment of any provision of this Mortgage or of the Note, at the time performance of such provision shall be due, shall involve transcending the limit of validity presently prescribed by any applicable usury statute or any other applicable law, with regard to obligations of like character and amount, then, ipso facto, the obligation to be fulfilled shall be reduced to the limit of such validity, so that in no event shall any exaction be possible under this Mortgage or under the Note that is in excess of the current limit of such validity, but such obligation shall be fulfilled to the limit of such validity. The provisions of this Paragraph 1.13 shall control every other provision of this Mortgage and of the Note.

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