

assignment of rents.

11. Annually during the term of the loan secured hereby, upon request of Mortgagee, Mortgagor will furnish to Mortgagee, annual statements of income, rents and profits and operating expenses of the premises covered by this Mortgage within a reasonable time after the end of Mortgagor's annual accounting period.

12. That any extension of the time for payment of the indebtedness secured hereby or any modification of the instrument or instruments evidencing the indebtedness secured hereby, granted to any future owner of the premises conveyed, shall not relieve Mortgagor from the liability to pay said indebtedness nor release Mortgagor with respect thereto; and Mortgagor does hereby waive presentment and demand for payment, notice of nonpayment and notice of protest.

13. Mortgagor covenants and agrees to establish with Mortgagee a replacement reserve in the amount of \$2,700.00, to be held without interest, by paying to the Mortgagee with each payment of interest and principal the sum of \$75.00 whenever such fund is below the stipulated amount. Said reserve may be drawn upon to pay the cost of replacing the equipment necessary to operate the improvement for its intended use as approved by the Mortgagee. In the event of default under this Mortgage or the Note secured hereby the Mortgagee may apply the reserves to the curing of such default and the Mortgagor will immediately pay to the Mortgagee an equivalent sum to reinstate the reserve, and until such reinstatement this Mortgage shall be in default. Transfer of legal title to the premises shall automatically transfer the beneficial interest in the reserve to the new owner.

NOW, if said Note and interest thereon be paid when due and the agreements in said Note and this Mortgage be faithfully performed, then these presents shall be null and void and the premises hereinbefore conveyed shall be released at the cost of Mortgagor. But if any of the agreements herein or in said Note contained be not kept or performed as aforesaid, then the remaining indebtedness secured hereby may at the option of the Mortgagee, without notice, be declared due and payable for all purposes, or Mortgagee may at his option effect the necessary repairs, pay such taxes or assessments or any part thereof, effect such insurance paying the cost thereof, and may pay and satisfy any final judgment on any lien claim, including all costs and expenses in connection