

(c) If required by the "Lender," the "Borrower" will pay to the "Lender" on the first day of each month, together with and in addition to the regular installment of principal and interest and monthly tax deposit (as required by Paragraph 1.03 of Article One herein) until the note is fully paid, an amount equal to one-twelfth (1/12) of the yearly premiums for insurance. Such amount shall be used by "Lender" to pay such insurance premiums when due, and no interest shall be payable in respect thereof. Upon demand of the "Lender," the "Borrower" agrees to deliver to the "Lender" such additional moneys as are necessary to make up any deficiencies in the amounts necessary to enable the "Lender" to pay such insurance premiums. In the event of a default by the "Borrower" in the performance of any of the terms, covenants and conditions in the note or mortgage, the "Lender" may apply to the reduction of the sums secured hereby, in such manner as the "Lender" shall determine, any amount paid in accordance herewith remaining to the "Borrower's" credit.

(d) If the "Mortgaged Property" or any part thereof is damaged by fire or any other cause, the "Borrower" will give immediate written notice of the same to the "Lender."

1.06 INSOLVENCY. If proceedings be instituted by or against the "Borrower" under any bankruptcy or insolvency law or other law for the benefit of creditors or relief of debtors, or should title to or possession of the "Mortgaged Property" pass to any receiver, trustee or assignee for the benefit of creditors, the entire indebtedness secured hereby shall without notice become immediately due and payable at the option of the "Lender."

1.07 CONDEMNATION. If all or any part of the "Mortgaged Property" shall be damaged or taken through condemnation (which term when used in this mortgage shall include any damage or taking by any governmental authority, and any transfer by private sale in lieu thereof), either temporarily or permanently, the entire indebtedness secured hereby shall at the option of the "Lender," become immediately due and payable. The "Lender" shall be entitled to all compensations, awards, and other payments or relief therefor and is hereby authorized, at its option, to commence, appear

in and prosecute, in its own or the "Borrower's" name, any action or proceeding relating to any condemnation, and to settle or compromise any claim in connection therewith. All such compensation, awards, damages, claims, rights of action and proceeds and the right thereto are hereby assigned by the "Borrower" to the "Lender" who, after deducting therefrom all its expenses, including attorney's fees, may release any moneys so received by it without affecting the lien of this mortgage or may apply the same in such manner as the "Lender" shall determine, to the reduction of the sums secured hereby, and to any prepayment charge herein provided, and any balance of such moneys then remaining shall be paid to the "Borrower." The "Borrower" agrees to execute such further assignments of any compensations, awards, damages, claims, rights of action and proceeds as the "Lender" may require.

1.08 CARE OF THE PROPERTY.

(a) The "Borrower" will preserve and maintain the "Mortgaged Property" in good condition and repair, and will not commit or suffer any waste thereof. The "Borrower" will not do or suffer to be done anything which will increase the risk of fire or other hazard to the "Mortgaged Property" or any part thereof.

(b) No buildings, fixture, personal property, or other part of the "Mortgaged Property" shall be removed, demolished or substantially altered without the prior written consent of the "Lender."

(c) The "Lender" is hereby authorized to enter upon and inspect the "Mortgaged Property" at any time during normal business hours during the life of this mortgage.

(d) The "Borrower" will promptly comply with all present and future laws, ordinances, rules and regulations of any governmental authority affecting the "Mortgaged Property" or any part thereof.

(e) If all or any part of the "Mortgaged Property" shall be damaged by fire or other casualty, the "Borrower" will promptly restore the "Mortgaged Property" to the equivalent of its original condition, regardless of whether or not there shall be an insurance proceeds therefor. If a part of the "Mortgaged Property" shall be physically damaged through condemnation, the "Borrower" will promptly restore, repair or alter the remaining property in a manner satisfactory to the "Lender."

1.09 FURTHER ASSURANCES; AFTER ACQUIRED PROPERTY. At any time, and from time to time, upon request by the "Lender," the "Borrower" will make, execute and deliver or cause to be made, executed and delivered to the "Lender" and, where appropriate, to cause to be recorded and/or filed and from time to time thereafter to be re-recorded and/or refiled at such time and in such offices and places as shall be deemed desirable by the "Lender" any and all such other and further mortgages, instruments of further assurance, certificates and other documents, as may, in the opinion of the "Lender," be necessary or desirable in order to effectuate, complete, enlarge or perfect, or to continue and preserve (a) the obligation of the "Borrower" under the note and this mortgage, and (b) the lien of this mortgage as a first and prior lien upon all of the "Mortgaged Property," whether now owned or hereafter acquired by the "Borrower." Upon any failure by the "Borrower" so to do, the "Lender" may make, execute, record, file, re-record, and/or refile any and all such mortgages, instruments, certificates, and documents for and in the name of the "Borrower," and the "Borrower" hereby irrevocably appoints the "Lender" the agent and attorney-in-fact of the "Borrower" so to do. The lien hereof will automatically attach, without further act, to all after acquired property attached to and/or used in the operation of the "Mortgaged Property" or any part thereof.

1.10 LEASES AFFECTING MORTGAGED PROPERTY. The "Borrower" will comply with and observe its obligations as landlord under all leases affecting the "Mortgaged Property" or any part thereof. "Borrower" will furnish "Lender" with executed copies of all leases now or hereafter created on said premises; and all leases now or hereafter entered into will be in form and substance subject to the approval of "Lender." "Borrower" will not, without the express written consent of the "Lender," modify, surrender or terminate, either orally or in writing, any lease now existing or hereafter created upon the premises described herein, nor will the "Borrower" permit an assignment or sublease without the express written consent of the "Lender." "Borrower" will not accept payment of rent more than two (2) months in advance without the express written consent of "Lender." If requested by the "Lender," the "Borrower" will assign to the "Lender" as additional security any and all such leases whether now existing or hereafter created including, without limitation, all rents, royalties, issues and profits of the premises from time to time accruing.

1.11 LENDER'S PERFORMANCE OF DEFAULTS. If the "Borrower" defaults in any of the covenants or agreements contained herein, or in said note, then the "Lender" may perform the same, and all expenditures made by the "Lender" in so doing shall draw interest at the rate set forth in the note secured hereby, and shall be repayable immediately and without demand by the "Lender" to the "Borrower," and, together with interest and costs accruing thereon, shall be secured by this mortgage.

1.12 BOOKS AND RECORDS. The "Borrower" shall keep and maintain at all times full, true and accurate books of accounts and records, adequate to reflect correctly the results of the operation of the "Mortgaged Property." Upon request of the "Lender," the "Borrower" will furnish to the "Lender" within one hundred twenty (120) days after the end of each fiscal year of the "Borrower," a balance sheet and a statement of income and expenses, both in reasonable detail and certified by a certified public accountant, and a rent schedule of the "Mortgaged Property," certified by an accounting officer of the "Borrower," showing the name of each tenant, and for each tenant the space occupied, the lease expiration date and the rent paid.

1.13 ESTOPPEL AFFIDAVITS. The "Borrower," within ten (10) days after written request from the "Lender," shall furnish a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on, the note and whether or not any offsets or defenses exist against such principal and interest.

1.14 EXPENSES. The "Borrower" will pay or reimburse the "Lender" for all reasonable attorney's fees, costs and expenses incurred by the "Lender" in any action, proceeding or dispute of any kind in which the "Lender" is made a party or appears as a party plaintiff or defendant, affecting the note, mortgage, "Borrower" or "Mortgaged Property," including, but not limited to, any condemnation action or proceeding involving the "Mortgaged Property," any bankruptcy, receivership, insolvency, reorganization, arrangement, adjustment, or other similar proceeding, or any action to protect the security hereof; and any such amounts paid by the "Lender" shall be added to the indebtedness and secured by the lien of this mortgage, and shall bear interest from the date of payment at the rate set forth in the note secured hereby.

ARTICLE TWO

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