

or in default of the performance of any covenant in this Mortgage contained, and shall continue only during such default or any subsequent default. This power of attorney and

-5-

assignment of rents shall be irrevocable until this Mortgage shall have been satisfied and released of record and the releasing of this Mortgage shall act as a revocation of the power of attorney and assignment of rents.

13. Although the mortgage and the promissory note secured hereby are in the original principal amount of \$682,500.00, it is agreed between the mortgagors and mortgagee that the mortgagee will advance the sum of \$580,000.00 upon the satisfactory completion of the improvements in accordance with the original plans and specifications and the remaining principal balance of \$102,500.00 will only be advanced upon the Mortgagor achieving an 80% occupancy of the premises and annual rentals of \$117,000.00 on minimum one year leases per scheduled rents, unfurnished. Should 80% occupancy at the required rentals not be achieved by November 1, 1970, it is agreed that the mortgagors shall have no right to further advances and the remaining principal balance of \$102,500.00 will be applied to the last monthly installments of principal due under the terms of the Note.

14. 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.

15. In event of default in payment of principal, interest or any other sum secured by this Mortgage, or in default of performance by Mortgagor of any of the covenants and agreements herein set forth, or in case the Mortgagee shall become a party, either as a plaintiff or defendant, to any suit or legal proceeding by reason of this Mortgage in relation to property conveyed or protection of its lien thereon, such expense and fees as may be incurred by reason thereof shall be paid by Mortgagor and secured by this instrument to the extent provided by law.

16. In the event Mortgagor requires additional financing for the purpose of developing the Stage II apartment project upon Tract 2 of the above described property, Mortgagor covenants and agrees that The Guardian Life Insurance Company of America shall have the right of first refusal to finance a permanent loan for the