

insurance policies required hereunder or in the performance or observance of any other covenant, condition or term of this mortgage and security agreement then the Mortgagee, at its option, may perform or observe the same, and all payments made for costs or expenses incurred by the Mortgagee in connection therewith, shall be added to the debt secured hereby and shall be, without demand, immediately repaid by the Borrower to the Mortgagee. The Mortgagee shall be the sole judge of the legality, validity and priority of any such tax lien, assessment, charge, claim or premium; of the necessity for any such actions and of the amount necessary to be paid in satisfaction thereof. The Mortgagee is hereby empowered to enter and to authorize others to enter upon the premises or any part thereof for the purpose of performing or observing any such defaulted covenant, condition or term, without thereby becoming liable to the Borrower and Lowndes or any person in possession holding under the Borrower or Lowndes.

Twelfth: ACCOUNTS. With respect to the said premises and the operations thereof the Borrower will keep or cause to be kept, in accordance with generally accepted accounting principles, such books of record and account as may be required to accurately reflect its interest in said premises and operations. The Mortgagee shall have the right to examine said books of record and account annually, or more often upon the occurrence of any default under this instrument, at such reasonable times and intervals as the Mortgagee may elect. The Borrower will furnish to the Mortgagee within ninety days after the end of each fiscal year of the Borrower a statement of income and expenses accurately setting forth the operation of its interest in said premises and operations for such fiscal year in reasonable detail and stating in comparative form the figures as of the end of their previous fiscal year, certified by a Certified Public Accountant satisfactory to the Mortgagee, also a rent schedule (as of the end of the fiscal year) showing units occupied classified by size or type, rents per month per unit and also showing vacant units and proposed rent therefrom.

Thirteenth: CONDEMNATION: Borrower and Lowndes agree that if all or any part of the premises 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 Mortgagee, become immediately due and payable. The Mortgagee shall be entitled to all compensation, 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 and Lowndes' 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 Mortgagor to the Mortgagee, who, after deducting therefrom all its expenses, including attorneys' fees, may release any moneys so received by it without affecting the lien of this mortgage and may apply the same in such manner as the Mortgagee shall determine, to the reduction of the sum secured hereby and to any prepayment fee provided in the note or herein provided, and any balance of such moneys then remaining shall be paid to the Mortgagor. The Borrower and Lowndes agree to execute such further assignment of any compensation, awards, damages, rights of action and proceeds as the Mortgagee may require.

Fourteenth: COMPLIANCE WITH COMMITMENT. The Borrower and Lowndes agree that should Borrower fail in any respect whatsoever to comply with the terms and provisions of the commitment upon which the loan hereby secured was predicated, the indebtedness secured by this mortgage shall immediately become due and payable at the option of the Mortgagee.

Fifteenth: PREPAYMENT OF RENT. The Borrower or Lowndes will not accept any prepayment of rent or installments of rent