

if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within thirty (30) days after notice by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance proceeds at Lender's option either to restoration or repair of the Property or to the sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or postpone the due date of the monthly installments referred to in Paragraphs 1 and 2 hereof or change the amount of such installments.

If under Paragraph 18 hereof the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof (to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition) resulting from damage to the Property prior to the sale or acquisition shall pass to Lender.

6. Preservation and Maintenance of Property. Borrower shall keep the Property in good repair and shall not permit or commit waste, impairment, or deterioration of the Property.

7. Protection of Lender's Security. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including but not limited to, eminent domain, insolvency, receivership, code enforcement, or arrangements or proceedings involving a bankrupt or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs. Any amounts disbursed by Lender pursuant to this Paragraph 7, with interest thereon, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate stated in the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible by applicable law. Nothing contained in this Paragraph 7 shall require Lender to incur any expense or do any act hereunder.

The Borrower further covenants and agrees that it will not in any manner do anything which will or may tend to impair, hinder, imperil, jeopardize, or revoke these certain Lease Agreements concerning the subject Property with F. F. Fields of Virginia, Inc., Bi-Lo, Inc., and Revco Drug Stores, Inc. The Borrower further covenants and agrees that at or before the execution of the within Mortgage, it will, by its duly authorized officers execute and deliver to the Lender an assignment of said Leases and Rents in proper form. In the event that Borrower does in any manner default in the terms and conditions of said Lease Agreements, the Lender may at Lender's option upon notice to Borrower make such appearances and negotiations, disburse such sums and take such action as is necessary to protect Lender's interest, including but not limited to disbursement of reasonable attorney's fees and license or franchise fees if necessary.

8. Inspection and Records. Lender may make or cause to be made reasonable entries upon and inspection of the Property, provided that Lender shall give Borrower notice prior to any such inspection