

11. That the Mortgagor will keep Mortgagor's books and records in accordance with generally accepted accounting principles covering the operation of the premises and furnish to the Mortgagee, all in form and content satisfactory to the Mortgagee, an annual certified statement of income and expenses within three months after the end of each fiscal year of the Mortgagor.

12. That the rights of the Mortgagee arising under the clauses and covenants contained in this mortgage shall be separate, distinct and cumulative and none of them shall be in exclusion of the others; that the invalidity of one or more of the clauses and covenants contained herein shall not in any way affect the validity or enforceability of the remaining provisions herein contained; and that no act of the Mortgagee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding.

13. That the Mortgagor shall purchase replacement fixtures and equipment and make renovations and capital improvements on the security property annually in an amount at least equal to the previous year's depreciation as shown on the Mortgagor's annual financial statement. In the event the expenditures in any given year are less than the previous year's depreciation, an amount equal to the difference between the depreciation and the actual expenditures shall be placed in a Reserve Fund. Reserve Fund moneys will be used only for new fixtures, equipment, renovations and capital improvements and will be spent after the Mortgagor has made annual expenditures from other funds equal to the previous year's depreciation. In the event that annual expenditures exceed the previous year's depreciation, any excess expenditures may be carried over and applied against the next year's required expenditures.

14. That the Mortgagor shall notify the Mortgagee of any funds held by the Mortgagee at the end of its fiscal year in excess of funds needed for adequate working capital, debt service, capital improvements and a capital improvements service fund, said notification to be sent to the Mortgagee within ninety days of the end of each fiscal year. At the Mortgagee's option, these excess funds will be paid over to the Mortgagee to be applied against the outstanding principal balance of the mortgage indebtedness. Any such principal reduction shall be without prepayment penalty.

15. That no capital improvements on the mortgaged premises costing in excess of \$10,000.00 in any year will be made without the prior written approval of the Mortgagee and the Board of Governors of the Mortgagor; but no such approval of the Mortgagee shall be required in the case of the replacement, refurbishing, renewal, or restoration of existing facilities or equipment, or replacements thereof.

16. That from time to time a representative appointed by the Mortgagee, at the sole discretion of the Mortgagee, will be placed as a member of the Board of Governors of the Mortgagor for the life of the within loan; but if the person so designated is not a member in good standing of the Mortgagor, he shall not be entitled to vote as a member of the Board of Governors of the Mortgagor.

It is agreed that the Mortgagor shall hold and enjoy the premises above conveyed until there is a default under this mortgage or in the note secured hereby. It is the true meaning of this instrument that if the Mortgagor shall fully perform all the terms, conditions and covenants of this mortgage, of the note secured hereby or of any other agreement by the Mortgagor in connection therewith, this mortgage shall be utterly null and void; otherwise

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