

The Mortgagors give and the Mortgagees accept this wrap-around mortgage upon the following agreements and understandings, each to the other:

(a) Mortgagees agree, so long as this wrap-around Mortgage is in effect and not in default by reason of non-payment of the wrap-around note secured hereby, to pay to the holder of the Underlying Indebtedness all installments of principal and interest due and payable thereon and accruing thereunder from the date hereof, as and when required by the terms of the Underlying Indebtedness.

(b) All such payments or obligations provided to be paid, performed or complied with by Mortgagees pursuant to the provisions of subparagraph (a) of the paragraph 16 hereof, shall be made or accomplished by Mortgagees, so long as the Mortgagors are not in default by reason of non-payment of the wrap-around note secured hereby before the expiration of the applicable grace periods provided for the same as contained in the Underlying Indebtedness; provided, however, the Mortgagors agree to make the payments to the Mortgagees as required by the wrap-around note secured hereby in a timely manner so as to enable the Mortgagees to in turn make the installment payments to the holder of the Underlying Indebtedness within the applicable grace period, and upon their failure to do so Mortgagors agree to pay any penalty or late fee which may be charged by the holder of the Underlying Indebtedness.

(c) Mortgagees agree that, in the event Mortgagees shall default in the making of any payment required to be made by Mortgagees hereunder to the holder of the Underlying Indebtedness, at a time when the Mortgagors shall not be in default hereunder by reason of non-payment of the wrap-around note secured hereby, the Mortgagor may immediately make such payments to the holder of the Underlying Indebtedness and shall be entitled to receive a credit in the amount of such payment against any sum due Mortgagees and Mortgagors shall thereafter, at their option, continue to pay to the holder of the Underlying Indebtedness for the balance of the term, remitting to Mortgagees, simultaneously, any remaining sum due it hereunder.

(d) The obligation of the Mortgagees to make the payments required to be made by the Mortgagees hereunder to the holder of the Underlying Indebtedness shall terminate, unless sooner terminated, on June 1, 2006, at which time the final installment of principal and interest shall be due and payable by the Mortgagors to the Mortgagees under the terms of the wrap-around note secured hereby at which time all sums due under the Underlying Indebtedness shall be paid by Mortgagees from such payment and the balance to Mortgagees for the satisfaction of the Wrap-around Note and this Mortgage.

(e) Mortgagors and Mortgagees agree to promptly send to the other copies of any notices received by them from the holder of the Underlying Indebtedness.

(f) Notwithstanding anything herein to the contrary, the standards for determining the provisions for default under this Mortgage will be determined with reference to the holder of the Underlying Indebtedness or an institutional lender who may seek to enforce such default provisions, under similar type mortgages.

(g) Notwithstanding any of the provisions of said Note, in the event that any payment required to be made under the provisions thereof shall become over due for a period in excess of fifteen days from the date upon which any such payment shall become due, a late charge of eight cents for each one dollar so over due may be charge by the Mortgagees for the purpose of defraying the expense incident to handling such delinquent payment. In the event that Mortgagors

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