

have full power to use and apply the avails, rents, issues and profits of the Premises to the payment of or on account of the following, in such order as Mortgagee may determine:

(a) to the payment of the operating expenses of said property, including cost of management and leasing thereof (which shall include reasonable compensation to Mortgagee and its agent or agents, if management be delegated to an agent or agents, and shall also include lease commissions and other compensation and expenses of seeking and procuring tenants and entering into leases), established claims for damages, if any, and premiums on insurance hereinabove authorized;

(b) to the payment of taxes and special assessments now due or which may hereafter become due on the Premises;

(c) to the payment of all repairs, decorating, renewals, replacements, alterations, additions, betterments, and improvements of the Premises, including the cost from time to time of installing or replacing refrigeration and gas or electric stoves therein, and of placing the Premises in such condition as will, in the judgment of Mortgagee, make it readily rentable; and

(d) to the payment of any indebtedness secured hereby or any deficiency which may result from any foreclosure sale.

ARTICLE III

SECURITY AGREEMENT

3.01 Creation of Security Interest. Mortgagor hereby grants to Mortgagee a security interest in the Personal Property located on or at the Property, including without limitation any and all property of similar type or kind hereafter located on or at the Property for the purpose of securing all obligations of Mortgagor contained in any of the Loan Instruments.

3.02 Description of Certain Specific Personal Property. Included within the definition of Personal Property in this Mortgage are, and Mortgagor hereby grants to Mortgagee a security interest and lien to additionally secure the indebtedness secured hereby, in and to, the following:

All equipment, fixtures and articles of personal property now or hereafter owned by Mortgagor which may be now or hereafter attached to or used in and about the Property and necessary or useful for the complete and comfortable use and occupancy of the Property for which they were or are to be erected, constructed or developed, or which are or may be used or related to the planning, development, financing or the operation thereof, including but not limited to, all furniture, furnishings, cleaning equipment, kitchen equipment, laundry equipment, decorative accessories, works of art, linens, dishes, silverware, tableware, heating and air conditioning equipment, lighting equipment, blinds, draperies, floor coverings, television sets, telephone equipment, and sound equipment, and all other equipment used or useful in the operation of the Property; provided, however, that with respect to any items of personal property leased by Mortgagor, this Mortgage covers the leasehold interest only of Mortgagor,

5220

4328 RV-2