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The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the indebtedness hereby secured. Lender's receipt of any awards, proceeds or damages under paragraphs 5 and 11 hereof shall not operate to cure or waive Borrower's default in payment of sums secured by this Mortgage.

**Estoppel Certificate** 14. Borrower shall within ten days of a written request from Lender furnish Lender with a written statement, duly acknowledged, setting forth the sums secured by this Mortgage and any right of set-off, counterclaim or other defense which exists against such sums and the obligations of this Mortgage.

**Uniform Commercial Code Security Agreement** 15. This Mortgage is intended to be a security agreement pursuant to the Uniform Commercial Code for any of the goods specified above as part of the Property which, under applicable law, may be subject to a security interest pursuant to the Uniform Commercial Code, and Borrower hereby grants Lender a security interest in said goods. Borrower agrees to execute and deliver financing statements covering said goods from time to time and in such form as Lender may require to perfect a security interest with respect to said goods. Borrower shall pay all costs of filing such statements and renewals and releases thereof and shall pay all reasonable costs and expenses of any record searches for financing statements Lender may reasonably require. Without the prior written consent of Lender, Borrower shall not create or suffer to be created pursuant to the Uniform Commercial Code any other security interest in said goods, including replacements and additions thereto. Upon Borrower's breach of any covenant or agreement of Borrower contained in this Mortgage, including the covenants to pay when due all sums secured by this Mortgage, Lender shall have the remedies of a secured party under the Uniform Commercial Code and, at Lender's option, may also invoke the remedies provided in paragraph 25 of this Mortgage as to such goods.

**Leases of the Property** 16. The Borrower shall comply with and observe Borrower's obligations as landlord under all leases of the Property or any part thereof. Borrower will not lease any portion of the Property except to tenants for occupancy. Borrower, at Lender's request, shall furnish Lender with executed copies of all leases now existing or hereafter made of all or any part of the Property, and all leases now or hereafter entered into will be in form and substance subject to the approval of Lender. Borrower shall not, without Lender's written consent, execute, modify, surrender or terminate, either orally or in writing, any lease now existing or hereafter made of all or part of the Property providing for a term of three years or more, permit an assignment or sublease of such a lease without Lender's written consent, or request or consent to the subordination of any lease of all or any part of the Property to any lien subordinate to this Mortgage. Upon Lender's request, Borrower shall assign to Lender as additional security all leases now existing or hereafter made of all or any part of the Property. As used in this paragraph 16, the term "lease" shall mean "sublease" if this Mortgage is on a leasehold.

**Remedies Cumulative** 17. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently, or successively.

**Effect of Changes in Laws Regarding Taxation of Mortgages** 18. In the event of the enactment of any law deducting from the value of the Property any mortgage lien thereon, or imposing upon the Lender the payment of all or part of the taxes, charges or assessments previously paid by Borrower pursuant to this Mortgage, or changing the law relating to the taxation of mortgages, debts secured by mortgages or Lender's interest in the Property so as to impose new incidents of tax on Lender, then Borrower shall pay such taxes or assessments or shall reimburse Lender therefor; provided that, however, if in the opinion of counsel to Lender such payment cannot lawfully be made by Borrower, then Lender may, at Lender's option, declare all of the sums secured by this Mortgage to be immediately due and payable without prior notice to Borrower, and Lender may invoke any remedies permitted by paragraph 25 of this Mortgage.

**Acceleration in Case of Borrower's Insolvency** 19. If Borrower shall voluntarily file a petition under the Federal Bankruptcy Acts or under any state bankruptcy or insolvency act or an answer in an involuntary proceeding admitting insolvency or inability to pay debts, or if Borrower shall fail to obtain a vacation or stay of involuntary proceedings brought for the reorganization, dissolution or liquidation of Borrower, or if Borrower shall be adjudged a bankrupt, or if a trustee or receiver shall be appointed for Borrower or Borrower's property, or if Borrower shall make an assignment for the benefit of Borrower's creditors, then Lender may, at Lender's option, declare all of the sums secured by this Mortgage to be immediately due and payable without prior notice to Borrower, and Lender may invoke any remedies permitted by paragraph 25 of this Mortgage.

**Transfers of the Property or Beneficial Interests in Borrower; Assumption** 20. On transfer of (a) all or any part of the Property, or any interest therein, or (b) beneficial interests in Borrower (if Borrower is not a natural person or persons but is a corporation, partnership, trust or other legal entity), Lender may, at Lender's option, declare all of the sums secured by this Mortgage to be immediately due and payable without prior notice to Borrower, and Lender may invoke any remedies

permitted by paragraph 25 of this Mortgage. This option shall not apply in case of

- (a) transfers by devise or descent or by operation of law upon the death of a joint tenant;
- (b) transfers when the transferee's credit worthiness and management ability is satisfactory to Lender and the transferee has executed, prior to the transfer, a written assumption agreement containing such terms as Lender may require, including, if required by Lender, an increase in the rate of interest payable under the Note;
- (c) the grant of a leasehold interest in a part of the Property of three years or less not containing an option to purchase (except any interest in the ground lease, if this Mortgage is on a leasehold);
- (d) transfers of beneficial interests in Borrower provided that such transfers, together with any prior transfers of beneficial interests in Borrower, but excluding transfers under subparagraphs (a) and (b) above, do not result in more than 49% of the beneficial interests in Borrower having been transferred since commencement of amortization of the Note; and
- (e) transfers pursuant to the first paragraph of paragraph 6 hereof.

**Notice** 21. Any notice to Borrower provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to Borrower at Borrower's Address stated below, except for any notice required under paragraph 25 hereof to be given to Borrower in the manner prescribed by applicable law. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower when given in the manner designated herein.

**Successors and Assigns Bound; Joint and Several Liability; Captions** 22. The covenants and agreements herein contained shall bind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 20 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

**Uniform Multifamily Mortgage; Governing Law; Severability** 23. This form of multifamily mortgage combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property. This Mortgage shall be governed by the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and the Note are declared to be severable. In the event that any applicable law limiting the amount of interest or other charges permitted to be collected from Borrower is interpreted so that any charge provided for in this Mortgage or in the Note, whether considered separately or together with other charges that are considered a part of this Mortgage and Note transaction, violates such law, and Borrower is entitled to the benefit of such law, such charge is hereby reduced to the extent necessary to eliminate such violation. The amounts, if any, previously paid to Lender in excess of the amounts payable to Lender pursuant to such charges as reduced shall be applied by Lender to reduce the principal of the indebtedness evidenced by the Note.

**Construction Loan Provisions** 24. If the indebtedness evidenced by the Note is intended to finance the construction of improvements to the Property, Borrower agrees to comply with the covenants and conditions of the Loan Agreement, which is hereby incorporated by reference in and made a part of this Mortgage. All advances made by Lender pursuant to the Loan Agreement shall be indebtedness of Borrower secured by this Mortgage.

In case of breach by Borrower of the covenants and conditions of the Loan Agreement, Lender, at Lender's option, with or without entry upon the Property, (i) may invoke any of the rights or remedies provided in the Loan Agreement, (ii) may accelerate the sums secured by this Mortgage and invoke those remedies provided in paragraph 25 hereof, or (iii) may do both. Prior to completion of the improvements, sums disbursed by Lender to protect the security of this Mortgage up to the principal amount of the Note shall be treated as disbursements pursuant to the Loan Agreement, and such sums disbursed by Lender in excess of the principal amount of the Note shall be additional indebtedness of Borrower secured by this Mortgage. All such sums shall bear interest from the date of disbursement at the rate stated in the Note, unless collection from Borrower of interest at such rate would be contrary to applicable law in which event such amounts shall bear interest at the highest rate which may be collected from Borrower under applicable law, and shall be payable upon notice from Lender to Borrower requesting payment therefor.

If, after the commencement of amortization of the Note, the Note and this Mortgage are sold by Lender, from and after such sale the Loan Agreement shall cease to be a part of this Mortgage and Borrower shall not assert any right of set-off, counterclaim or other claim or defense arising out of the Loan Agreement against the obligations of the Note and this Mortgage.

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