

First Party agrees that it will appear in and prosecute or defend any action or proceeding that may affect the priority of this Deed of Trust or the security of the Beneficiary hereunder, and that it will pay all costs, expenses (including the cost of searching title), and attorneys' fees incurred in such action or proceeding. Beneficiary may, at its option, appear in and defend any action or proceeding purporting to affect the priority of this Deed of Trust or the security hereof or the rights or powers of Party of the Second Part and/or Beneficiary. All amounts paid, suffered or incurred by Beneficiary in exercising the authority herein granted, including, without limitation, court cost, attorneys' fees and expenses, shall be added to the indebtedness secured hereby, shall be a lien on the property, shall be due and payable by First Party to Beneficiary immediately without demand, and shall bear interest at the default rate defined in the Note.

If First Party fails to pay any tax, claim, lien or encumbrance which is prior to this Deed of Trust when due, or any levy or insurance premium prior to the time required, or to preserve and maintain insurance on the property, or to keep the (reasonable wear and tear excepted), or shall commit or permit waste, or shall use the property for an illegal purpose, or if there be commenced any action or proceedings affecting the property or the title thereto and such is not covered by title insurance, or if Beneficiary be made a party to any action or proceedings because of its status as Beneficiary, or if First Party defaults in the performance of any of its other obligations, then Beneficiary, or Party of the Second Part, upon written instruction from Beneficiary (the legality thereof to be determined solely by Beneficiary), without obligation to do so, may pay said claim, lien, encumbrance, tax assessment or premium, with right of subrogation thereunder, may procure such abstracts or other evidence of title as it deems necessary, may enter upon the property, including, without limitation, the improvements comprising a part thereof and may make such repairs and take such steps as it deems advisable to prevent or cure such waste, and may perform such obligations; and for any of said purposes, Beneficiary may advance such sums of money as it deems necessary, including court costs, attorneys' fees and expenses. Such sums advanced, with interest from the date of advance at the default rate specified in the Note until paid, shall, without notice or demand, immediately be due from First Party to Beneficiary and be secured by this Deed of Trust. Beneficiary shall be the sole judge of the legality, validity and priority of any such claim, lien, encumbrance, tax, assessment and premium, and of the amount necessary to be paid in satisfaction thereof. Any action taken by Beneficiary pursuant to this paragraph shall not waive performance of any obligation, nor cure or waive any default by First Party in the performance of the obligations, nor invalidate or affect any act done hereunder because of such a default.

At all times First Party shall afford Beneficiary or its authorized representative full and complete access to the property for the purpose of inspecting the condition of the property.

First Party undertakes and agrees to furnish financial statements and reports to the Beneficiary no less frequently than quarter annually. In addition, First Party undertakes and agrees to submit to Beneficiary "pro-forma" statements with such frequency as Beneficiary may, in the exercise of its sole discretion, require. Additionally, annual income and expense statements and balance sheets shall be provided by First Party to Beneficiary at the sole

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