refinancing (which shall be reimburseable to the Mortgagor). Upon consummation of such refinancing, the mortgage securing the refinanced indebtedness shall for purposes of the Agency Agreement and this Mortgage be considered an Underlying Mortgage and all payments due and payable with respect thereto shall be made prior to any disbursements by the Agent to the Mortgagee or any other holders of the \$1,610,000 Note or \$400,000 Note. Mortgagee shall execute such documents as reasonably requested by the Mortgagor from time to time to evidence the subordination of the lien of this Mortgage in the event the Mortgagor is responsible for refinancing as specified hereby. Anything to the contrary contained in this Paragraph notwithstanding, in no event shall the Mortgagor refinance the indebtedness secured by any Subordinate Underlying Mortgage in default on a basis which would cause the aggregate amount received by the Agent each month with respect to the \$1,610,000 Note and \$400,000 Note to be insufficient to pay the debt service with respect to all Underlying Mortgages in the aggregate (including any refinanced indebtedness).

- In the event of foreclosure of this Mortgage, the then current indebtedness due and owing with respect to all Underlying Mortgages (including any substitutions or replacements thereof) which remain in existence at the time of conveyance pursuant to the foreclosure sale plus all amounts paid on the Underlying Mortgages as a result of such sale shall be deemed a payment on the \$1,610,000 Note for purposes of calculating amounts due and owing the Mortgagee by the Mortgagor; and all cash proceeds received by the Mortgagee from such foreclosure sale shall be credited first against the \$1,610,000 Note (after the credit provided hereinabove for the Underlying Mortgages), then the \$400,000 Note and finally, the \$100,000 Note. In the event of foreclosure of any Underlying Mortgage, a similar credit shall be given on the \$1,610,000 Note equal to the then current indebtedness due and owing with respect to all Underlying Mortgages (including substitutions and replacements thereof) which remain in existence at the time of conveyance pursuant to the foreclosure sale plus all amounts paid on the Underlying Mortgages as a result of such sale; and all cash received by the Mortgagee from such sale shall be applied in the same manner as if this Mortgage had been foreclosed.
- 17. The Mortgagor covenants and agrees that within one (1) year after the date of this Mortgage, a minimum of \$250,000 shall be expended to upgrade the Premises* Within thirty (30) days after the first anniversary date of this Mortgage, the *(including fixtures, furnishings and equipment).

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