

receipts and acquittances therefor, and Mortgagee, at its election, may use such awards and proceeds in any one or more of the following ways: (i) apply the same or any part thereof upon the debt secured hereby; (ii) use the same or any part thereof to fulfill any of the covenants and agreements of Mortgagor hereunder as Mortgagee may determine; or (iii) release the same to Mortgagor. In the event that any such exercise of condemnation or eminent domain necessitates repair or replacement of any portion of the Premises, then Mortgagee shall hold any such award received by it and shall release such award after repair or replacement of that portion of the Premises damaged or destroyed by such taking or condemnation; provided, however, that Mortgagee shall not be obligated to release any such award and shall be entitled to apply such award against the Secured Indebtedness, unless Mortgagor has complied with all of the following conditions:

(i) Mortgagee shall have approved the plans and specifications according to which the repair or replacement is to be constructed, which approval shall not be unreasonably withheld.

(ii) Mortgagee shall have approved the construction contract with the contractor who is to perform the repair or replacement, which approval shall not be unreasonably withheld.

(iii) Mortgagor shall have furnished Mortgagee with mechanic and materialmen lien waiver affidavits from the contractor or subcontractors performing any of such repair or replacement, and all suppliers of materials to the repair or replacement of the damaged or destroyed portion of the Premises.

(iv) Mortgagor shall furnish Mortgagee, if Mortgagee so requests, with a survey of the Premises prepared by a registered surveyor after completion of the repair or replacement of the damaged or destroyed portion of the Premises.

(v) There shall be no unsatisfied recorded liens or other encumbrances of record against the Premises arising out of such repair or replacement.

Nothing contained herein shall obligate Mortgagee to see to the proper application of any funds released to Mortgagor pursuant hereto. Mortgagor agrees to execute and deliver such other instruments as Mortgagee may require evidencing the assignment of all such awards and proceeds to Mortgagee. Any excess of such award after Mortgagee exercises its aforesaid options shall be refunded by Mortgagee to Mortgagor. Notwithstanding anything to the contrary contained in this paragraph, in the event that the holder of the Prior Mortgage releases any such award for repair or replacement of any part of the Premises, Mortgagee hereby agrees to and shall release any such award to the same extent.

9. Mortgagor shall pay to Mortgagee, or to Mortgagee's nominee or agent, if Mortgagee so requests, on each date upon which installments are payable under the Note, such amounts as Mortgagee from time to time reasonably estimates as necessary to pay, as the same become due, all insurance premiums, taxes, and assessments to be paid by Mortgagor, or any one or more of such items thereof, Mortgagee hereby reserving the right to determine the adequacy of the amounts to be paid pursuant to this paragraph, but such amounts shall be not greater than the amounts required by the holder of the Prior Mortgage. Mortgagee shall not be required to hold the sums so paid in a separate account pending payment or application thereof as herein provided and Mortgagee shall not be liable for interest thereon. Payments from said sums for said purposes shall be made by Mortgagee at its discretion, and upon default may be applied first to the payment of any obligation of Mortgagor under the Note. Mortgagee may use said sums to pay any