

Mortgagee. All such insurance policies shall be held by Mortgagee, shall contain standard Mortgagee clauses in favor of Mortgagee, and shall provide for notice to Mortgagee prior to cancellation thereof. Renewal policies shall be delivered to Mortgagee at least fifteen days prior to the expiration of the prior policy. Mortgagor shall cause premiums on all insurance policies to be paid before the same become due and shall furnish evidence of such payment to Mortgagee. In case of any damage to or loss of any of the Premises by fire, earthquake, storm or other casualty whatever prior to the payment of the Secured Indebtedness in full, Mortgagor will promptly cause the damage to be repaired and the Improvements to be restored all in accordance with the Loan Documents. In such event, except as hereinafter provided, Mortgagee will hold all such insurance proceeds received by it and will disburse the same as such repairs or restorations are completed, all in the same manner and upon the terms set forth in the Loan Agreement with respect to advances thereunder. If an event of default or potential default has occurred and is continuing hereunder, or if the Mortgagee is not satisfied that the amount of such insurance proceeds, plus the unfunded remainder of the Loan, will be adequate to complete the Improvements or if the Improvements cannot be completed on or before the Completion Date provided in the Loan Agreement, Mortgagee may, at its election, either disburse the insurance proceeds as above provided, apply the same to payment of the Debt in such order as Mortgagee may elect, or, if Mortgagee takes possession of the property pursuant to any provision of any of the Loan Documents, retain such insurance proceeds for use in completing or restoring improvements after Mortgagee takes possession, or for delivery to the purchaser upon foreclosure.

(j) Safeguarding Supplies and Materials; Inventory.

Mortgagor will cause all equipment, supplies and materials acquired or furnished in connection with the construction of the Improvements but not affixed to or incorporated into the Improvements to be stored at locations approved by the Mortgagee under adequate safeguard to minimize the possibility of loss, theft, damage, deterioration or commingling with other property. Upon request of Mortgagee, Borrower will furnish an inventory of all such equipment, supplies and materials stored off of the Property, specifying the location thereof.

(k) Notification of Suits, Etc.; Participation by Mortgagee.

Mortgagor shall promptly notify Mortgagee of the filing or threatened filing of any suit, claim, or complaint in any court or administrative agency, or in any public record, or the commencement of any investigation by any governmental agency, which affects or might affect title to the Mortgaged Property, the validity or priority of the lien of this instrument, the right of Mortgagor or Mortgagor's successors to operate the Mortgaged Property or any part thereof as contemplated by the Loan Agreement, or which asserts the liability of Mortgagor for any expense alleged to have been incurred or tax alleged to be due with respect to the Mortgaged Property or the violation of any Legal Requirement in connection therewith or of the terms or conditions of any Governmental Permit. Mortgagee may participate in any negotiations or proceedings resulting from any such claim or suit to any extent that Mortgagee may deem necessary for the protection of its interest, and Mortgagor shall reimburse Mortgagee for all costs incurred by Mortgagee in so doing, including attorneys' fees.

(l) Bonding; Defense or Satisfaction by Mortgagee. In the event of the actual filing of any suit, administrative proceeding, notice of violation or affidavit claiming any lien, or other official act commencing any proceeding or investigation within the scope of the foregoing Paragraph, Mortgagor shall, if requested by Mortgagee, provide Mortgagee with a bond in an amount and with sureties satisfactory to Mortgagee to secure Mortgagee against any