

periods and in such amounts as may be required by Mortgagee, but for no less than the then full insurable value of the Property as to hazard insurance, with deductibility thereof not exceeding \$5,000, and to pay when due all premiums for such insurance. It shall be incumbent upon the Mortgagor to maintain such additional insurance as may be necessary to meet and comply fully with all co-insurance requirements contained in said policies to the end that Mortgagor is not a co-insurer. Insurance shall be written by a company or companies having a Best's Insurance Guide rating of at least A/XIII and in the form or forms approved by Mortgagee. No policy of insurance hereunder may be cancelled or the coverage thereof reduced in amount except upon thirty (30) days prior written notice from the insurer thereof to Mortgagee. No lien upon any of said policies of insurance to the extent applicable to the Property or upon any refund or return premium which may be payable on the cancellation or termination thereof shall be given to anyone other than Mortgagee, except by proper endorsement affixed to such policy and approved by Mortgagee. Each policy of insurance shall have affixed thereto a Standard Mortgagee Clause, without contribution, making all loss or losses under such policy payable to Mortgagee. Mortgagee's rights to collect any proceeds, pursuant to the Mortgagee's Clause in such policies, may not be invalidated by any act or default of Mortgagor, and all such policies or certificates of the insurers or of insurance agencies satisfactory to Mortgagee showing that such policies with such Mortgagee clauses are in force shall be deposited with Mortgagee as additional security hereunder ten (10) days prior to the expiration of the then outstanding policies. In the event any sum or sums of money become payable thereunder, Mortgagee shall have the option to receive and apply the same on account of the indebtedness secured hereby, whether or not then due and payable, or to pay it to, or permit Mortgagor to receive it and use it, or any part thereof, to repair, restore, replace or rebuild the Property, without thereby waiving or impairing any equity or lien, under and by virtue of this Mortgage.

5.1 In the event of material loss or material physical damage to the Property, the Mortgagor shall give immediate notice thereof by mail to the Mortgagee, and the Mortgagee may make proof of loss if the same is not made promptly by the Mortgagor. If the Mortgagee elects, at its sole discretion, to utilize the proceeds of insurance policies for the repair, restoration or rebuilding of the Property, as aforesaid, Mortgagor shall, not more than ninety (90) days after the date of notice of such election, proceed with the construction and shall thereafter prosecute such work diligently so that the Property shall be restored in substantially the same condition for the purposes hereof as prior to such damage or destruction. Mortgagor shall not suffer to be filed against the Property, or any part thereof, any mechanic's, materialman's, laborer's or other lien in connection with such work and shall pay all bills and other charges therefor when due. If there remains any surplus of cash in the hands of Mortgagee after the completion of such repairs, restoration, replacement or rebuilding, such surplus may be used and applied by Mortgagee to the prepayment of the principal installments of the Note in inverse order of their regular stated maturity.

5.2 Mortgagor shall maintain, at its own cost and expense, such liability and other insurance as Mortgagee may reasonably require, insuring Mortgagor and, at Mortgagee's option, Mortgagee against liability claims, damage and losses to persons and property arising by reason of its occupation and use of the Property or arising by reason of the continuance and operation