

1637-030

1.05 No Tax Credits. The "Borrower" will not claim or demand or be entitled to receive any credit or credits on the principal or interest payable under the terms of the note or on any other sums secured hereby, for so much of the taxes, assessments or similar impositions assessed against the Mortgaged Property or any part thereof, as are applicable to the indebtedness secured hereby or to the "Lender's" interest in the Mortgaged Property. No deduction shall be claimed from the taxable value of the Mortgaged Property or any part thereof by reason of the note or mortgage.

1.06 Insurance. The "Borrower" will procure for, deliver to, and maintain for the benefit of, the "Lender" during the life of this mortgage, insurance policies, in such amounts as the "Lender" shall require, insuring the Mortgaged Property against fire, extended coverage and such other insurable hazards, casualties and contingencies as the "Lender" may require. The form of such policies and the companies issuing them shall be acceptable to the "Lender". All policies shall contain a New York standard, non-contributory mortgagee endorsement making losses payable to the "Lender". The coverage under such policies shall be limited to the improvements now or hereafter erected on the land mortgaged hereby. At least fifteen (15) days prior to the expiration date of all such policies, renewals thereof satisfactory to the "Lender" shall be delivered to the "Lender". The "Borrower" shall deliver to the "Lender" receipts evidencing the payment of all such insurance policies and renewals. The delivery of the insurance policies shall constitute an assignment, as further security of all unearned premiums. In the event of the foreclosure of this mortgage or any other transfer of title to the Mortgaged Property in extinguishment of the indebtedness secured hereby, all right, title and interest of the "Borrower" in and to all insurance policies then in force shall pass to the purchaser or grantee.

The "Lender" is hereby authorized and empowered, at its option, to adjust or compromise any loss under any insurance policies on the Mortgaged Property, and to collect and receive the proceeds from any such policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses, directly to the "Lender", instead of to the "Borrower" and "Lender" jointly. After deducting from said insurance proceeds any expenses incurred by it in the collection or handling of said fund, the "Lender" may apply the net proceeds, at its option, either toward restoring the improvements, or as a credit on any portion of the mortgage indebtedness selected by it, whether then matured or to mature in the future, or at the option of the "Lender", such sums either wholly or in part may be paid over to the "Borrower" to be used to repair such buildings or to build new buildings in their place or for any other purpose or object satisfactory to the "Lender" without affecting the lien of the mortgage for the full amount secured hereby before such payment took place. "Lender" shall not be held responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

If required by the "Lender", the "Borrower" will pay to the "Lender" on the first day of each month, together with and in addition to the regular installment of principal and interest and monthly tax deposit (as required by Paragraph 1.03 of Article 1 herein) until the note is fully paid, an amount equal to one-twelfth (1/12) of the yearly premiums for insurance. Such amount shall be used by "Lender" to pay such insurance premiums when due. Such added payments shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of the "Lender", and no interest shall be payable in respect thereof. Upon demand of the "Lender", the "Borrower" agrees to deliver to the "Lender" such additional moneys as are necessary to make up any deficiencies in the amounts necessary to enable the "Lender" to pay such insurance premiums. In the event of a default by the "Borrower" in the performance of any of the terms, covenants and conditions in the note or mortgage, the "Lender" may apply to the reduction of the sums secured hereby, in such manner as the "Lender" shall determine, any amount paid in accordance herewith remaining to the "Borrower's" credit.

1.07 Condemnation. If all or any part of the Mortgaged Property shall be damaged or taken through condemnation (which term when used in this mortgage shall include any damage or taking by any governmental authority, and any transfer by private sale in lieu thereof), either temporarily or permanently, the entire indebtedness secured hereby shall at the option of the "Lender", become immediately due and payable. The "Lender" shall be entitled to all compensation, awards, and other payments or relief therefor and is hereby authorized, at its option, to commence, appear in and prosecute, in its own or the "Borrower's" name, any action or proceeding relating to any condemnation, and to settle or compromise any claim in connection therewith. All such compensation, awards, damages, claims, rights of action and proceeds and the right thereto are hereby assigned by the "Borrower" to the "Lender", who, after deducting therefrom all its expenses, including attorney's fees, may release any moneys so received by it without affecting the lien of this mortgage or may apply the same in such manner as the "Lender" shall determine, to the reduction of the sums secured hereby, and to any prepayment charge herein provided, and any balance of such moneys then remaining shall be paid to the "Borrower". The "Borrower" agrees to execute such further assignments of any compensations, awards, damages, claims, rights of action and proceed as the "Lender" may require.

1.08 Care of the Property.

(a) The "Borrower" will preserve and maintain the Mortgaged Property in good condition and repair, and will not commit or suffer any waste thereof. The "Borrower" will not do or suffer to be done anything which will increase the risk of fire or other hazard to the Mortgaged Property or any part thereof.

(b) Except as otherwise provided herein, no buildings, fixture, personal property, or other part of the Mortgaged Property shall be removed, demolished or substantially altered without the prior written consent of the "Lender". The "Borrower" may sell or otherwise dispose of, free from the lien of this mortgage, furniture, furnishings, equipment, tools, appliances, machinery, fixtures or appurtenances, subject to the lien hereof, which may become worn out, undesirable, obsolete, disused or unnecessary for use in the operation of the Mortgaged Property, not exceeding in value at the time of disposition thereof One Thousand Dollars (\$1,000.00) for any single transaction, or a total of Ten Thousand Dollars (\$10,000.00) in any one year, upon replacing the same by, or substituting for the same, other furniture, equipment, tools, appliances, machinery, fixtures, or appurtenances not necessarily of the same character, but of at least equal value to the Mortgaged and costing not less than the amount realized from the property sold or otherwise disposed of, which shall forthwith become, without further action, subject to the lien of this mortgage.

(c) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, the "Borrower" will give immediate written notice of the same to the "Lender".

(d) The "Lender" is hereby authorized to enter upon and inspect the Mortgaged Property at any time during normal business hours during the life of this mortgage.

(e) The "Borrower" will promptly comply with all present and future laws, ordinances, rules and regulations of any governmental authority affecting the Mortgaged Property or any part thereof.

(f) If all or any part of the Mortgaged Property shall be damaged by fire or other casualty, the "Borrower" will promptly restore the Mortgaged Property to the equivalent of its original condition, regardless of whether or not there shall be any insurance proceeds therefor. If a part of the Mortgaged Property shall be physically damaged through condemnation, the "Borrower" will promptly restore, repair or alter the remaining property in a manner satisfactory to the "Lender".

(g) If any work required to be performed under this Paragraph 1.08 of Article 1 shall involve an estimated expenditure of more than \$10,000.00, no such work shall be undertaken until plans and specifications therefor, prepared by an architect satisfactory to the "Lender", have been submitted to and approved by the "Lender".

1.09 Further Assurances; After Acquired Property. At any time, and from time to time, upon request by the "Lender", the "Borrower" will make, execute and deliver or cause to be made, executed and delivered, to the "Lender" and, where appropriate, to cause to be recorded and/or filed and from time to time there-

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