

least ten days prior to the expiration of each such policy. If Mortgagee consents to Mortgagor providing any of the required insurance through blanket policies carried by Mortgagor and covering more than one location, then Mortgagor shall furnish Mortgagee with a certificate of insurance for each such policy setting forth the coverage, the limits of liability, the name of the carrier, the policy number, and the expiration date. At least thirty days prior to the expiration of each such policy, Mortgagor shall furnish Mortgagee with evidence satisfactory to Mortgagee of the payment of premium and renewal of such policy or the payment of premium and issuance of replacement coverage satisfactory to Mortgagee. All such policies shall contain a provision that such policies will not be cancelled or materially amended, which term shall include any reduction in the scope or limits of coverage, without at least thirty days prior written notice to Mortgagee. In the event Mortgagor fails to provide, maintain, keep in force or deliver and furnish to Mortgagee the policies of insurance required by this Section 1.04, Mortgagee may procure such insurance or single-interest insurance for such risks covering Mortgagee's interest, and Mortgagor shall pay all premiums thereon promptly upon demand by Mortgagee, and until such payment is made by Mortgagor the amount of all such premiums shall bear interest thereon at the Default Rate.

1.05 Casualty; Insurance Proceeds. All rights of Mortgagee with respect to the receipt or application of insurance proceeds pursuant to this Section 1.05 shall be subject to the rights of the holder of the First Mortgage as set forth therein. In the event the holder of the First Mortgage allows the application of insurance proceeds to the restoration of the Property, then Mortgagee shall also allow any proceeds pursuant to this Section 1.05 to be so applied. That after the happening of any casualty to the Property or any part thereof, Mortgagor shall give prompt written notice thereof to Mortgagee.

(a) All proceeds of insurance with respect to damage to or destruction of the Improvements having a value of \$10,000 or less shall be payable to Mortgagor and Mortgagor shall, within a reasonable time (but in no event more than 180 days) after receiving such proceeds, apply the same to the restoration of the Improvements. All proceeds of insurance with respect to damage to or destruction of the Improvements having a value in excess of \$10,000 shall be payable to Mortgagee. Mortgagee shall appoint a bank or trust company in the United States that is satisfactory to Mortgagee and Mortgagor (the