

cost thereof paid in full, and that there are no mechanic's or similar liens for labor or materials supplied in connection with the Restoration, the balance, if any, of Net Insurance Proceeds shall be paid to Mortgagor.

1.06 Assignment of Policies Upon Foreclosure. In the event of foreclosure of this Mortgage or other transfer of title or assignment of the Property in extinguishment, in whole or in part, of the indebtedness secured hereby, all right, title and interest of Mortgagor in and to all insurance coverage required by this Mortgage shall pass to the successor in interest to Mortgagor or the purchaser or grantee of the Property.

1.07 Taxes and Impositions.

(a) Mortgagor agrees to pay, at least ten days prior to delinquency, all real property taxes and assessments, general and special, and all other taxes and assessments of any kind or nature whatsoever imposed on or with respect to the Property (all of which taxes, assessments and other governmental charges of like nature are hereinafter referred to as "Impositions"); provided, however, that if, by law, any such Imposition is payable, or may at the option of the taxpayer be paid, in installments, Mortgagor may pay the same together with any accrued interest on the unpaid balance of such Imposition in installments as the same become due and before any fine, penalty, interest or cost may be added thereto for the nonpayment of any such installment and interest.

(b) If at any time after the date hereof there shall be assessed or imposed (i) a tax or assessment on or with respect to the Property in lieu of or in addition to the Impositions payable by Mortgagor pursuant to Section 1.07(a) of this Mortgage, or (ii) a license fee, tax or assessment imposed on Mortgagee and measured by or based in whole or in part upon the amount of the outstanding obligations secured hereby, then all such taxes, assessments or fees shall be deemed to be included within the term "Impositions" as hereinabove defined, and Mortgagor shall pay and discharge the same as herein provided with respect to the payment of Impositions or, at the option of Mortgagee, all obligations secured hereby together with all accrued interest thereon, shall immediately become due and payable. Anything to the contrary in this Mortgage notwithstanding, Mortgagor shall have no obligation to pay any franchise, estate, inheritance, net income, excess profits or similar tax levied on Mortgagee or on the obligations secured hereby.