

otherwise included therein) or as a credit on any portion of the indebtedness and other sums secured hereby, whether then matured or to mature in the future, or at the option of the Mortgagee such sums either wholly or in part may be paid over to the Mortgagor to be used to repair such improvements or to build new improvements in their place or for any other purpose or object satisfactory to the Mortgagee, without affecting the lien of this Mortgage for the full amount secured hereby before such payment took place. The Mortgagee shall not be responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure, unless the Mortgagee affirmatively undertakes to collect such proceeds and its failure to so collect same is due to its act or failure to act.

(c) The Mortgagor shall at its sole expense obtain for, deliver to and maintain for the benefit of, the Mortgagee during the life of this Mortgage liability insurance policies relating to the THE MORTGAGED PROPERTY, in such amounts, with such companies and in such form as may be required by the Mortgagee. The Mortgagee may require such policies to contain an endorsement, in form satisfactory to the Mortgagee, naming the Mortgagee as an additional insured thereunder. The Mortgagor shall pay promptly when due any premiums on such insurance policies and renewals thereof.

(d) In order to secure the performance and discharge of the Mortgagor's obligations under this paragraph 1.04.2, but not in lieu of such obligations, the Mortgagor will, on request of the Mortgagee, upon the occurrence of an Event of Default, pay over to the Mortgagee an amount equal to one-twelfth (1/12th) of the next maturing insurance premiums for each month that has elapsed since the last date to which such premiums were paid; and the Mortgagor will, in addition, pay over to the Mortgagee together with each installment on the Note, sufficient funds (as estimated from time to time by the Mortgagee in its sole discretion) to permit the Mortgagee to pay said premiums when due. Such deposits shall not be, nor be deemed to be, trust funds but may be commingled with the general funds of the Mortgagee, and no interest shall be payable in respect thereof. Upon demand by the Mortgagee, the Mortgagor shall deliver to the Mortgagee such additional monies as are necessary to make up any deficiencies in the amounts necessary to enable the Mortgagee to pay such premiums when due.

1.04.3 Further limitations, Etc. The provisions of paragraphs 1.04.1 and 1.04.2 shall not be deemed to affect any right or remedy of the Mortgagee under any provision of this Mortgage or of any statute or rule of law to pay any amount required to be paid by paragraphs 1.04.1 and 1.04.2 and to add the amount so paid together with interest at the Default Rate to the indebtedness hereby secured. The arrangement provided for in paragraphs 1.04.1 and 1.04.2 is solely for the added protection of the Mortgagee and entails no responsibility on the Mortgagee's part beyond the allowing of due credit, without interest, for sums actually received by it and the use of its best efforts to make such payments in a timely fashion, and upon assignment of this Mortgage any funds on hand shall be turned over to the assignee and any responsibility of the assignor with respect thereto shall terminate, provided such assignment shall be to a bank or insurance company. Each transfer of THE MORTGAGED PROPERTY (subject to the terms hereof) shall automatically transfer to the grantee all rights of the grantor with respect to any funds accumulated hereunder.

1.05 Condemnation. Whether or not the Mortgagee shall