

Mortgagee and any reduction in the principal sum resulting from the application by Mortgagee of such award or payment as hereinafter set forth shall be deemed to take effect only on the date of such receipt. Said award or payment may be applied in such proportions and priority as Mortgagee in Mortgagee's sole discretion may elect to the payment of principal, whether or not then due and payable, or any other indebtedness secured by this Mortgage and/or to payment to Mortgagor, on such terms as Mortgagee may specify, to be used for the sole purpose of altering, restoring or rebuilding any part of the Mortgaged Property which may have been altered, damaged or destroyed as a result of any such taking, alteration of grade, or other injury to the Mortgaged Property. If prior to the receipt by Mortgagee of such award of payment the Mortgaged Property shall have been sold on foreclosure of this Mortgage, Mortgagee shall have the right to receive said award or payment to the extent of any deficiency if, at the sale in the foreclosure proceeding, the Mortgaged Property does not bring an amount sufficient to satisfy the Mortgage indebtedness, with interest thereon, together with the reasonable counsel fees, costs and disbursements incurred by Mortgagee in connection with the collection of such award or payment, whether or not a deficiency judgment on this Mortgage shall have been sought or recovered or denied.

9. That Mortgagor (a) will not remove or demolish nor alter the design or structural character of any building now or hereafter erected upon the premises unless Mortgagee shall first consent thereto in writing; (b) will maintain the premises in good condition and repair; (c) will not commit or suffer waste thereof; (d) will comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the premises, and will not suffer or permit any violation thereof.

10. If Mortgagor fails to pay any claim, lien or encumbrance which is prior to this Mortgage, or, when due, any tax or assessment or insurance premium, or to keep the premises in repair, or shall commit or permit waste, or if there be commenced any action or proceeding affecting the premises or the title thereto, then Mortgagee, at its option, may pay said claim, lien, encumbrance, tax, assessment or premium, with right of subrogation thereunder, may procure such abstracts or other evidence of title as it deems necessary, may make such repairs and take such steps as it deems advisable to prevent or cure such waste, and may appear in any such action or proceeding and retain counsel therein, and take such action therein as Mortgagee deems advisable, and for any of said purposes Mortgagee may advance such sums of money as it deems necessary. Mortgagee shall be the sole judge of the legality, validity and priority of any such claim, lien, encumbrance, tax,