

lien of this Mortgage for the full amount secured hereby before such payment took place. Although the Lender intends to use its best efforts to collect such payments in a timely fashion, Lender 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.

(c) The Borrower shall at its sole expense obtain for, deliver to and maintain for the benefit of, Lender during the life of this Mortgage liability insurance policies relating to the Property, in such amounts, with such companies and in such form as may be required by Lender. Lender may require such policies to contain an endorsement, in form satisfactory to Lender, naming Lender as an additional insured thereunder. The Borrower 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 Borrower's obligations under this paragraph 1.04.6, but not in lieu of such obligations, the Borrower, upon Lender's demand, will pay over to Lender an amount equal to one-twelfth (1/12th) of the next maturing annual insurance premiums for each month that has elapsed since the last date to which such premiums were paid; and the Borrower will, in addition, upon Lender's demand, pay over to Lender together with each installment on the Obligations sufficient funds (as estimated from time to time by Lender in its sole discretion) to permit Lender 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 Lender, and no interest shall be payable in respect thereof. Upon Lender's demand, the Borrower shall also deliver to Lender such additional monies as are necessary to make up any deficiencies in the amounts necessary to enable Lender to pay such premiums when due. In event of a default under any of the terms, covenants and conditions in the Loan Documents to be kept, performed or observed by the Borrower, Lender may apply to the reduction of the Obligations secured hereby, in such manner as Lender shall determine, any amount under this paragraph 1.04.6(d) remaining to the Borrower's credit.

1.04.7 Non-Impairment of Lender's Rights. Nothing contained in either of paragraphs 1.04.4 and 1.04.6(d) shall be deemed to affect any right or remedy of Lender 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 1.04.6 and to add the amount so paid to the Obligations hereby secured. Although Lender intends to use its best efforts to make such payments in a timely fashion, the arrangements provided for in paragraphs 1.04.4 and 1.04.6(d) are solely for the added protection of Lender and entail no responsibility on Lender's part beyond the allowing of due credit, without interest, for sums actually received by it. Upon assignment of this Mortgage, any funds on hand shall be turned over to the assignee and any responsibility of Lender with respect thereto shall terminate.

1.05 Condemnation. Lender shall be entitled to all compensation awards, damages, claims, rights of action and proceeds of, or on account of, any damage or taking through condemnation 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 any other payments or relief, and the right thereto, are included in the Property and, after deducting therefrom all its expenses including attorneys' fees, Lender shall hold the proceeds of any condemnation award of less than \$100,000.00 and disburse the same from time to time to Borrower for use in restoring and repairing the Property, against such evidence of completion as Lender may require, and with respect to any condemnation award