

may perform such acts and it may authorize workmen to enter upon the property at reasonable hours for the purpose of making repairs and all expenses so incurred by Mortgagee shall be payable on demand and shall bear interest at the rate of 12% per annum (Default Rate) from the date thereof and such sums together with interest shall be secured by this Mortgage and at Mortgagee's option. Mortgagee shall be entitled to declare this Mortgage in default and Mortgagee may pursue all remedies provided herein and permitted at law and in equity after such default. It is understood that Mortgagee does not hereby assume responsibility or liability for the care or supervision of any portion of the Property.

4. Mortgagor shall not initiate, join in or consent to any change in any private restrictive covenant, zoning ordinance or other public or private restrictions limiting or defining the uses which may be made of the Property or any part thereof without the prior written consent of the Mortgagee. Mortgagor shall not grant or permit any easements, over, across or through the Property without the prior written consent of Mortgagee.

5. Mortgagor shall at all times keep the Property now or hereafter encumbered by this Mortgage insured, as may be required from time to time by Mortgagee, against loss by fire, lightning, explosion, tornado, windstorm and other hazards and casualties covered by the Standard Fire and Extended Coverage Insurance Policy with vandalism and malicious mischief endorsements, rent and income loss insurance for at least one year; public liability and property damage; boiler and machinery insurance covering pressure vessels, tanks and the like if the Property contains same; and such other coverage as Mortgagee may require, for such periods and in such amounts as may be required by Mortgagee, but in an amount, as to hazard insurance, equal to the greater of: (i) the full replacement value of the Property; (ii) the outstanding principal balance of the Note together with all accrued but unpaid interest and any other sums due Mortgagee; or (iii) such amount as necessary to prevent Mortgagor from becoming a co-insurer under the terms of Mortgagor's insurance policies, with deductibility thereof not exceeding \$ none, and to pay when due all premiums for such insurance. Insurance shall be written by a company or companies and in the form or forms approved by Mortgagee. No lien upon any of said policies of insurance to the extent applicable to the Property or upon any refund or return premium which may be payable on the cancellation or termination thereof shall be given to any one other than Mortgagee, except by proper endorsement affixed to such policy and approved by Mortgagee. Each policy of insurance shall have affixed thereto a Standard Mortgagee Clause, without contribution, making all loss or losses under such policy payable to Mortgagee or to the owner and holder of the first mortgage loan secured by the Property as instructed by the Mortgagee. Mortgagee's rights to collect any proceeds, pursuant to the Mortgagee's Clause in such policies, may not be invalidated by any act or default of Mortgagor, and all such policies or certificates of the insurers or of insurance agencies satisfactory to Mortgagee showing that such policies with such Mortgagee clauses are in force shall be deposited with Mortgagee as additional security hereunder ten (10) days prior to the expiration of the then outstanding policies.

5.1 In the event of material loss or material physical damage to the Property, the Mortgagee shall have the option, in its sole discretion, in applying all or part of the insurance proceeds (i) to any indebtedness secured hereby and in such order as Mortgagee may determine, whether or not then due and payable, or (ii) to the restoration of the improvements upon the Property, without thereby waiving or impairing any equity or lien under and by virtue of this Mortgage or (iii) to Mortgagor.

5.1.1 In the event of material loss or material physical damage (material loss or damage to be such loss as will require repairs or replacements at a cost in excess of Five Hundred Dollars) to the Property, the Mortgagor shall give immediate notice

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