

(c) Nothing in this Section 1.07 shall require the payment or discharge of any obligation imposed upon the Mortgagor by this Section so long as the Mortgagor shall in good faith and at its own expense contest the same or the validity thereof by appropriate legal proceedings which shall operate to prevent the collection thereof or other realization thereon and the sale or forfeiture of the Premises or any part thereof to satisfy the same; provided that during such contest the Mortgagor shall, at the option of the Mortgagee, provide security satisfactory to the Mortgagee, assuring the discharge of the Mortgagor's obligation hereunder and of any additional charge, penalty or expense arising from or incurred as a result of such contest; and provided further, that if at any time payment of any obligation imposed upon the Mortgagor by subsection (a) of this Section shall become necessary to prevent the delivery of a tax deed conveying the Mortgaged Property or any portion thereof because of non-payment, then Mortgagor shall pay the same in sufficient time to prevent the delivery of such tax deed.

SECTION 1.08. The Mortgagor will pay any taxes except income taxes imposed on the Mortgagee by reason of its ownership of the Note or this Mortgage.

SECTION 1.09. (a) The Mortgagor will keep the Improvements and Chattels insured against loss by fire, casualty and such other hazards as may be specified by the Mortgagee for the benefit of the Mortgagee. Such insurance shall be written in forms, amounts, and by companies, satisfactory to the Mortgagee, and losses thereunder shall be payable to the Mortgagee pursuant to a standard first mortgage endorsement substantially equivalent to the New York standard mortgage endorsement. The policy or policies of such insurance shall be delivered to the Mortgagee. The Mortgagor shall give the Mortgagee prompt notice of any loss covered by such insurance and the Mortgagee shall have the right to join the Mortgagor in adjusting any loss in excess of \$50,000. Any moneys received as payment for any loss under any such insurance shall be paid over to the Mortgagee to be applied at the option of the Mortgagee either to the prepayment of the Note, without premium, or to the reimbursement of the Mortgagor for expenses incurred by it in the restoration of the Improvements.