

of the principal and interest on the Note and all other indebtedness secured hereby if an Event of Default thereunder is then existing), (ii) the interest of Mortgagee shall be insured regardless of any breach or violation by Mortgagor of any warranties, declarations or conditions contained in such policy, and (iii) if such insurance be cancelled or materially changed for any reason whatsoever each insurer will promptly notify Mortgagee, and such cancellation or change shall not be effective as to Mortgagee for 30 days after receipt by Mortgagee of such notice; furnish to Mortgagee copies of each such policy upon the execution hereof, and copies of each renewal policy not less than 30 days prior to the expiration of the original policy or preceding renewal policy (as the case may be); and furnish to Mortgagee receipts or other evidence that the premiums thereon have been paid, or if in the event Mortgagor fails to furnish receipts in accordance with the above then upon the request of Mortgagee deposit monthly with Mortgagee, to be held in a non-interest bearing account and used by Mortgagee in paying premiums, an amount equal to 1/12th of the annual amount of insurance premiums, as estimated by Mortgagee.

3.4 Protection, Repair and Replacement of Property. Maintain, preserve, protect and keep in good order and condition the Mortgaged Property and from time to time make all necessary or appropriate repairs, replacements and improvements thereto; use its best efforts to prevent any act or thing which might impair the value or usefulness of the Mortgaged Property or any part thereof; and in the event of any casualty of any kind or nature, ordinary or extraordinary,