

liens shall be filed and remain undischarged at the time of any disbursement; and (e) the value of the Mortgaged Property upon completion of the restoration shall not be less than the value thereof immediately prior to the occurrence of the casualty for which the insurance proceeds were paid. The insurance proceeds shall not bear interest and may be commingled with Mortgagee's other funds. Mortgagee may impose such other conditions and requirements with respect to such restoration and disbursement as are customarily imposed by construction lenders.

Mortgagor and Fee Owner shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under this Article unless Mortgagee is included thereon as a named insured with loss payable to Mortgagee under a standard non-contributory mortgagee clause acceptable to Mortgagee. Mortgagor shall immediately notify Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to Mortgagee the policy or policies of such insurance.

In the event of foreclosure of this Mortgage or other transfer of title to the Mortgaged Property in extinguishment of the indebtedness secured hereby, all right, title and interest of Mortgagor to any insurance policies then in force covering the Mortgaged Property shall pass to Mortgagee or the transferee of the Mortgaged Property.

6. Discharge of Mechanics' Liens. Mortgagor will pay, from time to time when the same shall become due, all lawful claims and demands of mechanics, materialmen, laborers and others which, if unpaid, might result in, or permit the creation of, a lien on the Mortgaged Property or any part thereof, or on the revenues, rents, issues, income and profits arising therefrom, and in general Mortgagor will do or cause to be done everything necessary so that the title to the Mortgaged Property shall be fully preserved and remain unimpaired, at the cost of Mortgagor, without expense to Mortgagee.

7. Proper Care and Use. Mortgagor will maintain the Mortgaged Property in good repair, order and condition; will not commit or suffer waste with respect thereto; will not remove from the Realty any of the Improvements or Chattels without having obtained the prior written consent of Mortgagee; will not make, install, or permit to be made or installed, any alterations, additions, improvements, fixtures, appliances or equipment of any nature to or in the Realty, without obtaining the prior written consent of Mortgagee, which consent Mortgagee hereby reserves the right to refuse to grant; will not make, suffer or permit any nuisance to exist on the Mortgaged Property; will permit Mortgagee or its agents, at any reasonable times to enter upon the Realty and the Improvements for the purpose of inspecting and appraising the Mortgaged Property; will not do any act which would tend to impair the value of the Mortgaged Property or the lien or security of this Mortgage; and will not make any change in the use of the Mortgaged Property which will increase any fire or other hazard insurance premium. Mortgagor will, at all times, maintain the Improvements

0510

4328