

gagee that insurance proceeds are available, and the work prosecuted with due diligence, or in the event that the other conditions precedent to the advancing of such insurance proceeds by the Mortgagee as set forth in this Paragraph 4 have not been satisfied, Mortgagee may, in addition to the other rights of Mortgagee, at its option deem this mortgage and security agreement in default and pursue such remedies as are permitted by paragraph 15 hereof. The Mortgagee is hereby authorized to demand, adjust, sue for, compromise and collect such amounts as may be claimed under any of said insurance policies covering the premises, to give releases for any and all amounts received in settlement of losses under said policies, and the Mortgagor hereby assigns to the Mortgagee all claims for loss or damage under any of said insurance policies. In the event of foreclosure under this mortgage and security agreement or any transfer of title to the premises in satisfaction of the obligations, or any part thereof, all right, title and interest of the Mortgagor in and to said policies, or to any refund or return of premiums or dividends thereunder shall pass to the Mortgagee; and the Mortgagee shall have the right to surrender said policies and to collect any amounts due thereunder or, at its option, to transfer its rights, title and interest in and to said policies and the proceeds thereof to any purchaser of the premises, without obligation to account therefor to any person claiming title to the premises; provided, however, that any amounts received by the Mortgagee under said policies by way of refunds, dividends or otherwise, as aforesaid, shall be applied on account of the indebtedness, and any surplus shall be paid over as surplus on foreclosure.