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outstanding policies. In the event any sum or sums of money become payable thereunder Mortgagee shall have the option to receive and apply the same on account of the Indebtedness, whether or not then due and payable, or to pay it to or permit, Mortgagor, to receive it and use it, or any part thereof, to repair, restore, replace or rebuild the Property, without thereby waiving or impairing any equity or lien, under and by virtue of this Mortgage.

In event of material loss or material physical damage to the Property, the Mortgagor shall give immediate notice thereof by mail to the Mortgagee and the Mortgagee may make proof of loss if the same is not made promptly by the Mortgagor. If the election to repair, restore or rebuild the Property as aforesaid and to utilize the proceeds of insurance policies for such purpose is made Mortgagor shall, not more than ninety (90) days after the date of election, proceed with the construction and will thereafter prosecute such work diligently so that the Property will be restored in substantially the same condition for the purposes hereof as prior to such damage or destruction. Mortgagor shall not suffer to be filed against the Property, or any part thereof, any mechanic's, materialman's, laborer's or other lien in connection with such work and shall pay all bills and other charges therefor when due. If there remains any surplus of cash in the hands of Mortgagee after the completion of such repairs, restoration, replacement or rebuilding, such surplus may be used and applied by Mortgagee to the prepayment of the principal installments of said Note in inverse order of their regular stated maturity.

Mortgagor shall maintain, at its own cost and expense such liability and other insurance as Mortgagee may reasonably require, insuring Mortgagor against liability