

upon any refund or return premium which may be payable on the cancellation or termination thereof, shall be given to other than Mortgagee, except by proper endorsement affixed to such policy and approved by Mortgagee, to the extent of any remaining unpaid Indebtedness. Each policy of insurance shall have affixed thereto a Standard South Carolina Mortgagee Clause without contribution, making all loss or losses under such policy payable to Mortgagee. Mortgagee's rights to collect any proceeds pursuant to Mortgagee's clause in such policies may not be invalidated by any act or default of Mortgagor, and all such policies or certificates of the insurers or of insurance agencies satisfactory to Mortgagee showing that such policies with such mortgagee clauses are in force shall be deposited with Mortgagee as additional security hereunder ten (10) days prior to the expiration of the then 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, Mortgagor shall give immediate notice thereof by mail to Mortgagee and Mortgagee may make proof of loss if the same is not made promptly by Mortgagor. If Mortgagee elects to utilize the proceeds of insurance policies for the repair, restoration or rebuilding of the Property as aforesaid Mortgagor shall, not more than ninety (90) days after the date of notice of