

3. That he will keep the improvements upon said premises constantly and satisfactorily insured in an insurance company or companies to be approved by the Mortgagee, until said note is paid, against loss by fire and the risks covered under the Extended Coverage Endorsement, in an amount equal to 100% of the replacement cost of the improvements, said coverage to be endorsed with a Replacement Cost Endorsement, the amount reviewed annually and increased if necessary so as to provide coverage at all times in an amount necessary to restore the improvements to the condition existing just prior to the destruction or damage. Such policy or policies shall be deposited with and made payable to the Mortgagee by attachment of the Standard Mortgagee Clause for further securing of said note, and the proceeds thereof shall at the option of the Mortgagee be applied in payment of the indebtedness secured by this Mortgage; provided, however, notwithstanding the option of the Mortgagee to apply the proceeds to said indebtedness, if the building is partially or wholly destroyed at such time or under such conditions as to require Mortgagor to restore the building under the terms of the lease therefor and provided said lease is not terminated by either party thereto or by its terms, the proceeds shall be held by the Mortgagee and disbursed for the rebuilding, reconstructing and repairing of the aforesaid premises upon request as the work progresses to Mortgagor, through the medium of a title insurance company selected by Mortgagee, (the charges and expenses of which shall be paid by the Mortgagor) and upon assurance of the title company that no mechanic's or materialmen's liens have attached to the property, and upon a certificate of a licensed architect or engineer in charge of the work stating that:

- (a) The sum requested is fully due to the contractors, subcontractors, materialmen, laborers, engineers, and/or other persons, firms or corporations rendering service or supplying material for such work, or is fully required to reimburse the Mortgagor for expenditures made by him in connection with such work, and when added to all sums previously paid out by Mortgagee does not exceed the value of work done to the date of such certificate; and
- (b) that the insurance money remaining in the hands of the Mortgagee will be sufficient upon the completion of such work to pay for the same in full.

If under the certificate of the architect or engineer, as the case may be, furnished to the Mortgagee, the insurance money in the hands of the Mortgagee shall be insufficient to pay the entire cost of such work, the Mortgagor agrees to pay to the Mortgagee the amount of the deficiency promptly on demand and such sum shall be held and paid out by the Mortgagee under the provisions hereof.

4. That he will keep all improvements now existing or hereafter erected in good repair, and, in the case of a construction loan, that he will continue construction until completion without interruption, and should he fail to do so, the Mortgagee may, at its option, enter upon said premises, make whatever repairs are necessary, including the completion of any construction work, and charge the expenses for such repairs or the completion of such construction to the mortgage debt.

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