

Upon the completion of the work and payment in full therefor, or upon any failure on the part of the Mortgagor promptly to commence or continue the work, or at any time upon request by the Mortgagor, the Mortgagee may, at its option, either apply the amount of any such proceeds then or thereafter in the hands of the Mortgagee to the payment of the Mortgage Indebtedness or any portion thereof, whether or not then due and payable, or remit such amount to the Mortgagor.

(iii) In the event Mortgagor elects not to repair or rebuild, or in the event an event of default has occurred hereunder and is continuing, then such proceeds shall at the election of Mortgagee be applied first toward reimbursement of all costs and expenses of the Mortgagee in collecting such proceeds and then toward payment of the Mortgage Indebtedness or any portion thereof, whether or not then due or payable.

(e) In the event of a foreclosure of this Mortgage, the purchaser of the mortgaged premises shall succeed to all of the rights of the Mortgagor under said insurance policies payable to the Mortgagee, including any right to unearned premiums and the right to receive the proceeds of any insurance payable by reason of any loss theretofore or thereafter occurring.

7. Eminent Domain. Notwithstanding any taking under the power of eminent domain, alteration of the grade of any street, or other injury to or decrease in value of the mortgaged premises by any public or quasi-public authority or corporation, the Mortgagor shall continue to pay the Mortgage Indebtedness in accordance with the terms of the Notes or of any promissory note or notes then evidencing the same, and any reduction in the principal sum resulting from the application by the Mortgagee of such award or payment as hereinafter set forth shall be deemed to take effect only upon the receipt by the Mortgagee of such award. The Mortgagor hereby assigns the entire proceeds of any award or payment to the Mortgagee. Such proceeds shall be collected and applied as though such proceeds were insurance proceeds to be applied pursuant to Paragraph 6(d) hereof.

8. Reimbursement of Advances by Mortgagee. The Mortgagor shall pay to the Mortgagee, upon demand, all sums expended by the Mortgagee (a) to pay taxes, assessments, water and sewer charges and other governmental charges and impositions and insurance premiums, with respect to the mortgaged premises, or (b) to maintain or repair the mortgaged premises, as provided herein, whether expended by the Mortgagee or any receiver appointed at the request of the Mortgagee, unless such sums shall be paid out of the rents, income and profits from the mortgaged premises, or (c) to defend the lien of this Mortgage as a lien against the mortgaged premises subject only to the