

contained herein as Mortgagee may determine; (iii) used to replace or restore the Premises to a condition satisfactory to Mortgagee; or (iv) released to Mortgagor. Nothing contained herein shall obligate Mortgagee to see to the proper application of any funds released to Mortgagor pursuant hereto. Subject to the terms of the Prior Mortgages regarding application of insurance proceeds, Mortgagee is hereby irrevocably appointed by Mortgagor as attorney-in-fact of Mortgagor to assign any policy without accounting to Mortgagor for any unearned premium thereon, in the event of the foreclosure of this mortgage, a sale of the Premises under the powers hereinafter granted, or a conveyance by Mortgagee in lieu of any such foreclosure or sale under power.

Notwithstanding anything to the contrary herein contained in this Paragraph 3, in the event the holders of the Prior Mortgages release insurance proceeds for the purpose of repair or replacement of the Premises, Mortgagee shall release said insurance proceeds to the extent of the release of the Prior Mortgage holders.

4. Mortgagor will promptly comply with all present and future laws, ordinances, rules and regulations of any governmental authority affecting the premises or any part thereof.

5. Mortgagor will pay, before the same become delinquent, all taxes, assessments, water, sewer and other rents, charges, excises, levies, license fees, permit fees and all other charges (in each case, whether general or special, ordinary or extraordinary, or foreseen or unforeseen) of every character (including all penalties or interest thereon) now or hereafter levied, assessed, confirmed or imposed on, or in respect of, or be a lien upon the Premises or any part thereof, or any estate right or interest therein, or upon the rents, issues, income or profits thereof, and will submit to Mortgagee such evidence of the due and punctual payment of all such taxes, assessments and charges as Mortgagee may require; provided, however, that nothing herein contained shall require Mortgagor to pay any such tax, assessment, governmental charge or claim so long as the validity thereof shall be contested in good faith by appropriate legal proceedings operating to prevent the sale of any of the Premises to satisfy any such tax, assessment, governmental charge or claim and Mortgagor has posted a bond or other adequate security, satisfactory to grantee to insure the payment thereof.

6. If Mortgagor fails to observe or perform any of Mortgagor's covenants set forth in paragraphs 3, 4, and 5 hereof, or if Mortgagor fails to observe or perform any of Mortgagor's covenants set forth in the Note or this mortgage, or any of Mortgagor's covenants under the Prior Mortgages, other than the making of payments due thereunder, or any other instrument now or hereafter evidencing, securing or in any manner relating to the indebtedness evidenced by the Note, then Mortgagee, at its option, after giving written notice to Mortgagor, may perform and observe the same, and all payments made and costs incurred by Mortgagee in connection therewith, including 15% attorneys' fees, shall be secured hereby and, upon demand, shall be repaid by Mortgagor, with interest thereon at the rate of 18% per annum. Mortgagee shall be the sole judge of the necessity for any actions to be taken by it and the amount necessary to be paid or incurred by Mortgagee to remedy any such default of Mortgagor. Mortgagee is hereby empowered to enter and to authorize others to enter upon the Premises or any part thereof for the purpose of performing or observing any such defaulted covenant, without thereby becoming liable to Mortgagor or any person in possession holding under Mortgagor.