

payable upon demand or otherwise as Mortgagee may determine. After any such advances are made, Mortgagee may apply any funds received hereunder to principal, advances or interest as Mortgagee may determine and Mortgagee will not be held to have waived any rights accruing to Mortgagee by the payment of any sum hereunder and particularly the right to declare this Mortgage in default by the reason of failure of performance of this condition or the non-payment of the indebtedness secured.

3. INSURANCE--To secure, maintain and keep in force with an insurance company or companies approved by Mortgagee an insurance policy or policies providing fire, extended coverage, malicious mischief and vandalism coverage and such other insurance as may be required by Mortgagee from time to time upon the buildings and improvements now or hereafter situate upon the premises in an amount equal to the maximum insurable value of same or such amount as shall be approved by Mortgagee, whichever shall be the lesser sum; and to keep the policy or policies therefor constantly assigned and delivered to Mortgagee with subrogation clauses satisfactory to Mortgagee providing the right and power in Mortgagee to demand, receive and collect any and all money becoming payable thereunder and to apply same toward the payment of the indebtedness hereby secured, unless the same is otherwise paid.

That in the event of failure of Mortgagor to pay all of the aforesaid insurance premiums, as hereinabove provided, Mortgagee shall have the option to advance the necessary funds to pay said insurance premiums, and all amounts so expended by Mortgagee for insurance premiums, as herein provided, shall be charged hereunder as principal money secured by this Mortgage and shall bear interest at the same rate as the principal indebtedness secured hereby, payable upon demand or otherwise as Mortgagee may determine. After any such advances are made, Mortgagee may apply any funds received hereunder to principal, advances or interest as Mortgagee may determine and Mortgagee will not be held to have waived any rights accruing to Mortgagee by the payment of any sum hereunder and particularly the right to declare this Mortgage in default by the reason of failure of performance of this condition or the non-payment of the indebtedness secured.

4. REPAIRS--To keep all buildings and improvements now or hereafter situate upon the premises in good order and repair, to comply with all governmental requirements respecting the premises or their use, and to neither commit nor permit any waste, nor to alter, add to or remove any of said buildings or improvements without the written consent of Mortgagee; save and except the original rehabilitation and reconstruction of the motels pursuant to the Architect's Plans.