

Mortgagor will deliver the originals of all such policies (or certificates evidencing insurance if the policies are master policies) to Mortgagee, and, not less than twenty (20) days prior to the expiration date of each such policy, will deliver to Mortgagee a renewal policy or policies (or certificates evidencing insurance if the policies are master policies) marked "premium paid" or accompanied by other evidence of payment satisfactory to Mortgagee. Mortgagor will not permit any condition to exist on the Mortgaged Premises which would wholly or partially invalidate the insurance thereon.

In the event of the occurrence of any loss or damage to the Mortgaged Premises, Mortgagor will give immediate written notice thereof to Mortgagee, and Mortgagee may make proof of loss thereof if not made promptly by Mortgagor. Subject to the rights of the First Mortgagee, Mortgagee may on behalf of Mortgagor adjust and compromise any claims under such insurance and collect and receive the proceeds thereof and endorse drafts and Mortgagee is hereby irrevocably appointed attorney-in-fact of Mortgagor for such purposes. Unless paid to the holder of the First Mortgage, each insurance company concerned is hereby authorized and directed to make payment under such policies of casualty, rent abatement and flood insurance, including return of unearned premiums, directly to Mortgagee instead of to Mortgagor and Mortgagee jointly, and Mortgagor appoints Mortgagee, irrevocably, as Mortgagor's attorney-in-fact to endorse any draft therefor.

In the event fifty (50%) percent or more of the Improvements are damaged as a result of fire or other insurable casualty, Mortgagee shall have the right, at its election, to retain and apply the proceeds of any casualty insurance to reduction of the principal, interest and other costs secured hereby, in such order as Mortgagee may determine, and/or to retain and apply the proceeds of any insurance on account of the payments of the regular monthly installments of principal and interest as they fall due, month by month, or to restoration or

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