

excluding the creation of a lien or encumbrance subordinate to this mortgage or a transfer by devise, descent, or by operation of law upon the death of any party herein designated "Mortgagor;" then, upon the occurrence of any such event, the entire balance of the indebtedness secured hereby, interest, advances, and any other sum or sums payable by Mortgagor to Mortgagee secured hereby shall become due and payable immediately at the option of Mortgagee, and neither the advance of funds by Mortgagee under any of the terms and provisions hereof nor the failure of Mortgagee to exercise promptly its option under any of the foregoing conditions shall operate as a waiver of Mortgagee's right to exercise such option thereafter as to any part or current default.

7. CASUALTY LOSS OR CONDEMNATION--In the event of any loss covered by insurance assigned to Mortgagee hereunder, or in the event that the premises hereby conveyed, or any part thereof, shall be condemned and taken under the power of eminent domain, Mortgagor shall give immediate written notice to Mortgagee and Mortgagee shall have the right to receive and collect any proceeds of such insurance and all damages awarded damages by reason of such taking, and the right to such proceeds and damages hereby is assigned to Mortgagee who shall have the discretion to apply the amount so received, or any part thereof, toward the indebtedness secured hereby or toward the alteration, repair or restoration of the premises by Mortgagor; provided, however, that upon a fire or other casualty which damages the premises, if (i) the net insurance proceeds to be received are sufficient