

receipt therefor shall be conclusive evidence of such payment and of the validity of such premiums. Upon payment in full of the Indebtedness, the amount of any unused credit shall be paid over to the person entitled to receive it. If, by reason of any default by Mortgagor under any provision of this Mortgage, Mortgagee declares all sums secured hereby to be due and payable, or if Mortgagor is delinquent in its payment of said monthly deposits, Mortgagee may at its option apply any funds in said account against the Indebtedness or against said delinquent amount.

Mortgagee does hereby conditionally waive the provisions hereof requiring such deposits provided Mortgagor shall duly and promptly pay or cause to be paid all such premiums at least fifteen (15) days prior to the expiration of each such insurance policy, and provided Mortgagee shall be furnished with the original of each such initial policy coincident with the execution of this Mortgage and the original of each renewal policy not less than fifteen (15) days prior to the expiration of the initial or each preceding renewal policy, together with receipts or other evidence that the premiums thereon have been paid.

Each insurance policy issued in connection herewith shall provide by way of endorsements, riders or otherwise that (a) proceeds will be payable to Mortgagee as its interest may appear, it being agreed by Mortgagor that such payments shall be applied, in Mortgagee's sole discretion, either (i) to the restoration, repair or replacement of the Mortgaged Property or (ii) toward the payment of the Indebtedness; (b) the coverage of Mortgagee shall not be terminated, reduced or affected in any manner regardless of any breach or violation by Mortgagor of any warranties or declarations of conditions in such policy; (c) no such insurance policy shall be cancelled, endorsed, altered or reissued to effect a change in coverage for any reason and to any extent whatsoever unless such insurer shall have first given Mortgagee thirty (30) days prior written notice thereof; and (d) Mortgagee may, but shall not be obligated to, make premium payments to prevent any cancellation, endorsement, alteration or reissuance, and such payments shall be accepted by the insurer to prevent same. Mortgagee shall be furnished with the original of each such initial policy coincident with the execution of this Mortgage and the original of each renewal policy not less than fifteen (15) days prior to the expiration of the initial or each preceding renewal policy, together with receipts or other evidence that the premiums thereon have been paid. Mortgagor shall furnish to Mortgagee, on or before thirty (30) days after the close of each of Mortgagor's fiscal years, a statement certified by Mortgagor or a duly authorized officer of Mortgagor of the amounts of insurance maintained in compliance with this Paragraph 4.7, of the risks covered by such insurance, and of the insurance company or companies which carry such insurance. Mortgagee is authorized and empowered, at its option, to adjust or compromise any loss under any such insurance policy.

The delivery of any insurance policies hereunder shall constitute an assignment of all unearned premiums as further security hereunder. In the event of the foreclosure of this Mortgage in extinguishment or partial extinguishment of the Indebtedness, all right, title and interest of Mortgagor in and to all insurance policies then in force shall pass to the purchaser or to Mortgagee, as the case may be, and Mortgagee is hereby irrevocably appointed by Mortgagor as attorney-in-fact for Mortgagor to assign any such policy to said purchaser or to Mortgagee, as the case may be, without accounting to Mortgagor for any unearned premiums thereon.