

notice of any loss covered by such insurance and Mortgagee shall have the right to join Mortgagor in adjusting any loss in excess of \$250,000.00.

(d) Mortgagor shall not take out separate insurance concurrent in form or contributing in the event of loss with that required to be maintained under this Article 3 unless Mortgagee is included thereon as a named insured with loss payable to Mortgagee under a standard mortgagee endorsement of the character above described. Mortgagor shall immediately notify Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to Mortgagee the policy or policies or certified copies thereof of such insurance. If Mortgagee shall by any manner acquire the title or estate of Mortgagor in or to any portion of the Premises, it shall thereupon become the sole and absolute owner of all insurance policies held by Mortgagor affecting such portion, with the sole right to collect and retain all unearned premiums thereof.

(e) Nothing contained herein shall relieve Mortgagor of its duty to pay or cause to be paid principal and interest, and to make or cause to be made all other payments, called for or required by the Note and this Mortgage subsequent to the occurrence of any fire or other casualty.

(f) Any company issuing an insurance policy required under this Article 3 and any such policy will be deemed to be approved by Mortgagee if such company and policy have been approved by the holders of the Prior Mortgages and if Mortgagee's interests are insured by such policy as elsewhere specified in this Article 3.

4. Mortgagor will not commit or suffer any waste on the Premises and will not do or suffer to be done anything which will in any material respect increase any ordinary risk of fire or other hazard to the Premises or any part thereof, or which would or could result in the cancellation of any insurance policy. Mortgagor will, at all times, maintain the Improvements in good operating order and condition and will promptly make, from time to time, all repairs, renewals, replacements, additions and improvements in connection therewith which are needful or desirable to such end; provided however, in the event such repairs, renewals or replacements are made necessary due to fire or other casualty, and such fire or other casualty is covered by insurance proceeds held by Mortgagee, Mortgagor shall be responsible to make such repairs, renewals or replacements only if such insurance proceeds are made available by Mortgagee to Mortgagor. Without the prior written consent of Mortgagee, which consent will not be unreasonably withheld or delayed, the Improvements shall not be removed, demolished or substantially altered, (except for immaterial acts required to comply with the second sentence of this Article 4), nor shall any Chattels be removed except where appropriate replacements free of superior title, liens and claims are immediately made of value at least equal to the value of the Chattels removed. Mortgagor shall comply with, or cause to be complied with, all statutes, ordinances, and requirements of any governmental authority relating to the Premises or any part thereof other than and except for any violation or non-conforming use in existence on the date of execution hereof. Mortgagee and any persons authorized by Mortgagee shall have the right to enter and inspect the Premises at all reasonable times, and access thereto shall be permitted for that purpose.

5. Mortgagor shall faithfully perform the covenants of Mortgagor as lessor under any present and future leases, affecting all or any portion of the Premises, and, subject to acts taken in the normal course of business with respect to the operation of a garden apartment complex, neither do nor neglect to do, nor permit to be done, anything which may cause the termination of said leases, or any of them, or which may diminish or impair their value, or the rents provided for therein, or the interest of Mortgagor or Mortgagee therein or thereunder. Mortgagor shall not accept or