

have the right to participate with the Mortgagee in the adjustment and compromise of any Major Loss, but the decision of the Mortgagee in any such case shall be binding and conclusive upon the Mortgagor.

(e) The Mortgagee may deduct from the proceeds of the insurance required to be obtained by the Mortgagor pursuant to Subparagraph 7(a) hereof, other than the insurance required under clauses (iv), (v), and (vi) thereof, any expenses (including, without limitation, reasonable attorneys' fees and disbursements) incurred by it in connection with obtaining such proceeds, and the Mortgagee may, at its option, either apply such proceeds in reduction or satisfaction of all or part of the Obligations, whether or not then due and payable (in such order of priority as the Mortgagee shall elect) or release such proceeds to the Mortgagor in whole or in part upon conditions satisfactory to the Mortgagee. Upon the occurrence of any Default all of the Mortgagor's right, title and interest in and to all such policies, including unearned premiums thereon, shall be deemed assigned to the Mortgagee. The application of such insurance proceeds toward the payment or performance of the Obligations shall not be deemed a waiver by the Mortgagee of its right to receive payment or performance of the remainder of the Obligations and the interest thereon in accordance with the provisions of the Loan Documents.