

*Amended
12/15/11*

SECTION 1.08. The Mortgagor will pay any taxes except income taxes imposed on the Mortgagee by reason of its ownership of the Note or this Mortgage.

SECTION 1.09. (a) The Mortgagor will keep the Improvements insured against loss by fire, casualty and such other hazards as may be specified by the Mortgagee for the benefit of the Mortgagee. Such insurance shall be written in forms, amounts, and by companies, satisfactory to the Mortgagee, and losses thereunder shall be payable to the Mortgagee pursuant to a standard first mortgage endorsement substantially equivalent to the New York standard mortgagee endorsement. The policy or policies of such insurance shall be delivered to the Mortgagee. The Mortgagor shall give the Mortgagee prompt notice of any loss covered by such insurance and the Mortgagee shall have the right to join the Mortgagor in adjusting any loss in excess of \$50,000.00. Any moneys received by the Mortgagee as payment for any loss under any such insurance shall be applied to the reimbursement of the Mortgagor for expenses incurred by it in the restoration of the Improvements; insurance proceeds not required to be applied to such restoration, or not in fact so applied, shall, at the option of the Mortgagee be applied either to the prepayment of the Note without premium or shall be paid over to the Mortgagor.

(b) The 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 Section 1.09, unless the Mortgagee is included thereon as a named insured with loss payable to the Mortgagee under a standard mortgage endorsement of the character above described. The Mortgagor shall immediately notify the Mortgagee whenever any such separate insurance is taken out and shall promptly deliver to the Mortgagee the policy or policies of such insurance.

SECTION 1.10. If the Mortgagor shall fail to perform any of the covenants contained in Sections 1.01, 1.03, 1.07, 1.08, 1.09, 1.12, or 1.15, the Mortgagee may make advances to perform the same in its behalf, and all sums so advanced on its behalf with interest at the Involuntary Rate. The provisions of this Section 1.10 shall not prevent any default in the observance of any covenant contained in said Section 1.01, 1.03, 1.07, 1.08, 1.09, 1.12, or 1.15, from constituting an Event of Default.

SECTION 1.11. (a) The Mortgagor will keep adequate records and books of account in accordance with generally accepted accounting