

## ARTICLE I

*First: PAYMENT OF INDEBTEDNESS.* The Mortgagor will pay the note according to the tenor thereof and all other sums secured hereby promptly as the same shall become due.

*Second: MONTHLY DEPOSITS.* To further secure the payment of the taxes and assessments hereinafter referred to and the premiums on the hazard insurance hereinafter referred to, and upon the request of the Mortgagee, the Mortgagor will deposit with the Mortgagee, on the due date of each installment under the note, a sum which, in the estimation of the Mortgagee, shall be equal to one-twelfth of the annual taxes, assessments and hazard insurance premiums; said deposits to be held by the Mortgagee, free of interest, and free of any liens or claims on the part of creditors of the Mortgagor and as part of the security of the Mortgagee and to be used by the Mortgagee to pay current taxes and assessments and hazard insurance premiums on the premises as the same accrue and are payable. Said deposits shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of the Mortgagee. If said deposits are insufficient to pay the taxes and assessments and hazard insurance premiums in full as the same become payable, the Mortgagor will deposit with the Mortgagee such additional sum or sums as may be required in order for the Mortgagee to pay such taxes and assessments and hazard insurance premiums in full. Upon any default in the provisions of this mortgage or the note, the Mortgagee may, at its option, apply any money in the fund resulting from said deposits to the payment of the indebtedness secured hereby in such manner as it may elect.

*Third: TAXES, LIENS AND OTHER CHARGES.*

(a) In the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation, subsequent to the date hereof, in any manner changing or modifying the laws now in force governing the taxation of debts secured by mortgages or the manner of collecting taxes so as to affect adversely the Mortgagee, the Mortgagor will promptly pay any such tax; if the Mortgagor fails to make such prompt payment or if any such state, federal, municipal or other governmental law, order, rule or regulation prohibits the Mortgagor from making such payment or would penalize the Mortgagee if the Mortgagor makes such payment, then the entire balance of the principal sum secured by this mortgage and all interest accrued thereon shall, without notice, immediately become due and payable at the option of the Mortgagee.

(b) The Mortgagor will pay, before the same becomes delinquent, all taxes, liens, assessments and charges of every character already levied or assessed or that may hereafter be levied or assessed upon or against said premises and all utility charges, whether public or private; and upon demand will furnish the Mortgagee receipted bills evidencing such payment.

(c) The Mortgagor will not suffer any mechanic's, materialman's, laborer's, statutory or other lien which might or could be prior to or equal to the lien of this mortgage to be created or to remain outstanding upon any part of the premises.

*Fourth: INSURANCE.* The Mortgagor will keep the buildings, whether now standing on said premises or hereafter erected, continuously insured against loss or damage by fire and against such other hazards, as the Mortgagee, in its sole discretion, shall from time to time require, for the benefit of the Mortgagee; that all such insurance at all times will be in an insurance company or companies and in amounts and terms acceptable to the Mortgagee, with loss, if any, payable to the Mortgagee as its interest may appear, pursuant to a mortgage clause which shall be satisfactory to the Mortgagee; and that forthwith upon the issuance of such policies the Mortgagor will deliver the same and all renewals thereof to the Mortgagee and will also deliver to the Mortgagee receipts for the premiums paid thereon. Any policies furnished the Mortgagee shall become its property in the event the Mortgagee becomes the owner of said premises by foreclosure or otherwise. The Mortgagee is hereby authorized and empowered, at its option, to adjust or compromise any loss under any insurance policies on the premises, and to collect and receive the proceeds from any such policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses directly to the Mortgagee, instead of to the Mortgagor and Mortgagee jointly. In case of loss under any such policy of insurance, the Mortgagee may apply the net proceeds to the payment of the indebtedness hereby secured, whether due or not; or the Mortgagee may require (i) the building to be repaired or replaced by the use of said net proceeds, or (ii) said net proceeds to be used for any other purpose or object without affecting the lien of this deed or the indebtedness secured hereby.

The Mortgagee hereby agrees that the net proceeds payable under any such policies shall be applied to repairing or replacing the buildings and improvements, provided however that if this mortgage is in default under the terms hereof said proceeds or any portion thereof may, at the election of the Mortgagee, be applied to the indebtedness secured hereby.