

purpose the mortgagee is authorized to surrender existing policies for cancellation and take out any insurance at any time desired, provided that the necessary premium adjustments in all cases shall be charged against or credited to the mortgage as the case may be, ten days prior notice of any proposed changes shall be mailed to the mortgagor at its last known address so as to give such mortgagor opportunity to take out such insurance as it may desire to protect its equity in the mortgaged property.

In the event of failure or refusal of the mortgagor to agree with the insurance companies involved as to the amount and terms of any loss within sixty days of the happening of such loss, then the mortgagee may negotiate with and settle said loss with such fire insurance companies and neither the mortgagee nor the insurance companies involved shall, upon such settlement being made, be liable in any manner to the mortgagor,

Any tax, assessment, or premium of insurance, not paid when due by the mortgagor, may be paid by the mortgagee or assigns, and any sum so paid shall be added to the amount of said principal debt as part thereof, shall draw interest from the time of said payments at the rate of Six (6) per centum per annum, and shall, with interest, be covered by the security of this mortgage.

The mortgagee shall have the right to apply any funds received from losses on account of the indebtedness or other items herein secured, or at its option may allow the same to be used in restoring the mortgaged premises provided the mortgagee, if restoration of the premises is agreed to, may retain said funds without interest until said premises be so restored in a satisfactory manner.

3. AND IT IS FURTHER COVENANTED, That the said mortgagor shall create a fund for the payment of all taxes and assessments, general and special, and insurance premiums by depositing with