

pass to the purchaser at the foreclosure sale.

Section 1.6 Deposit for Payment of Taxes, Assessments and Insurance Premiums. Mortgagor covenants and agrees that concurrently with the first payment of principal and interest to American National Insurance Company he will deposit with the Mortgagee a sum equal to one-twelfth (1/12) of the estimated annual taxes and assessment next due on the Mortgaged Premises calculated on the basis of the last preceding assessment, plus one-twelfth (1/12) of the estimated annual insurance premiums on the insurance Mortgagor is required to carry under the terms hereof (said estimate to be made by Mortgagee in its reasonable discretion), such deposits to be held by Mortgagee without interest, and to be applied by Mortgagee to the payment of such taxes, assessments, and insurance premiums. Any deficiency in such deposits shall immediately be paid by Mortgagor, when due, and any excess shall be returned by Mortgagee. In the event of default hereunder or under the Promissory Note hereby secured, Mortgagee may, at its option, apply such deposits then in its hands upon the principal of said Note remaining unpaid, or upon any other indebtedness of Mortgagor secured hereby.

Section 1.7 Payment of Utility Charges. The Mortgagor covenants and agrees to pay or cause to be paid all charges made by utility companies, whether public or private, for electricity, gas, heat, water, sewer or other utilities furnished or used in connection with said Premises and will, upon request by the Mortgagee, furnish proper receipts showing such payment.

Section 1.8 Assignment of Rents. As further security for the payment of the indebtedness evidenced by said Promissory Note and any other indebtedness due from Mortgagor to the Mortgagee which may arise hereunder, and as further security for the performance of the covenants and agreements made herein by the Mortgagor, the Mortgagor has assigned as security to

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