

Mortgagee not later than ten (10) days before the date on which such taxes, water and sewer rents, charges, claims, assessments and encumbrances bear interest or penalties; provided, however, that if Mortgagor in good faith and by appropriate legal action shall contest the validity of any such tax or charge, or the amount thereof, and shall have established by deposit of cash or bond with Mortgagee a reserve for the payment thereof in such amount as Mortgagee may require, then Mortgagor shall not be required to pay the item or to produce the required receipt (a) while the reserve is maintained and (b) so long as the contest operates to prevent collection, is maintained and prosecuted with diligence, and shall not have been terminated or discontinued adversely to Mortgagor.

3. Insurance. Mortgagor shall keep all buildings and improvements now or hereafter erected upon the Mortgaged Premises insured for the benefit of Mortgagee against loss or damage by fire, with extended coverage, and against other hazards as Mortgagee may reasonably require, upon terms and in companies and amounts satisfactory to Mortgagee. All policies shall be in form satisfactory to Mortgagee, shall be maintained in full force and effect, shall be assigned and delivered to Mortgagee with premiums prepaid, shall be endorsed with a standard mortgagee clause in favor of Mortgagee and shall provide for at least five (5) days notice of cancellation to Mortgagee. All renewal policies, with premiums prepaid, shall be delivered to Mortgagee at least ten (10) days before expiration of the old policy. Mortgagee may settle all claims under all such policies and may demand moneys becoming due thereunder. The proceeds under any