

such insurance proceeds or any part thereof may be applied by Mortgagee at its option to the payment of interest due on the indebtedness secured hereby, the reduction of the principal amount of said indebtedness, the payment of any other obligation hereby secured, or the restoration or repair of the Mortgaged Property. Mortgagee shall not be responsible for any such insurance or for the collection of any insurance moneys, or for the insolvency of any insurer or any insurance underwriter. Application of insurance proceeds by Mortgagee shall not cure or waive any default hereunder or invalidate any act done hereunder because of any such default. In the event suit is filed to foreclose this Mortgage or in the event Mortgagee shall take possession of the Mortgaged Property without foreclosure, all right, title and interest of Mortgagor in and to all insurance policies then in force shall inure to the benefit of and pass to the mortgagee in possession, receiver or purchaser at foreclosure sale, as the case may be, and Mortgagee is hereby appointed attorney-in-fact for Mortgagor to assign and transfer said policies.

A(4) (a) At least five (5) days before such become delinquent, Mortgagor shall pay or cause to be paid all taxes and assessments of every kind, nature and description levied or assessed on or against the Mortgaged Property, and will pay when due all dues and charges for water, water delivery, gas, electric power and light, sewers, waste removal, bills for repairs, and any and all other claims, encumbrances and expenses incident to the ownership of the Mortgaged Property, in order that no lien may be created against the Mortgaged Property during the term of this Mortgage which is or may become prior to the lien of this Mortgage. Mortgagor will deposit with Mortgagee, at such place as Mortgagee may designate, receipts showing payment of all such taxes, assessments and other charges. Mortgagor may contest in good faith the validity or amount of any such tax, assessment, governmental charge or other charge, lien or claim of lien by appropriate proceedings provided by law, including payment thereof under protest, if required, provided that upon a final determination with respect to any such contested tax, assessment or governmental charge, Mortgagor will promptly pay any sums found to be due thereon. Prior to any such contest, Mortgagor shall furnish Mortgagee a cash deposit or other security in an amount and form satisfactory to Mortgagee to indemnify Mortgagee against sale or forfeiture of, or creation of a lien against, the Mortgaged Property. Such deposit or other security shall be returned to Mortgagor upon final payment by Mortgagor of such charge or lien, or upon final resolution of such contest in favor of Mortgagor resulting in no imposition of lien against the Mortgaged Property.

(b) Mortgagor will protect the Mortgagee, insofar as it may be lawful so to do, against any and all loss from any taxation of indebtedness or mortgages, direct or indirect, which may or might be imposed on this Mortgage, or the lien of this Mortgage upon the Mortgaged Property, or upon the debt hereby secured, by any law, rule, regulation or levy of the Federal government or of any state, or any political subdivision thereof, by the payment by the Mortgagor of any such tax or taxes. Should the Mortgagor fail, neglect or refuse to pay before the same becomes delinquent any such tax or taxes, Mortgagee may, at its option, pay the same, and the amount or amounts thereof shall be secured by this Mortgage, shall be due and payable on demand, and shall bear interest at the Default Rate, as defined in the Note, from the date of payment by Mortgagee. In the event the burden of any such taxation on indebtedness or mortgages cannot lawfully be shifted from Mortgagee to Mortgagor, Mortgagee may, at its option, declare the whole unpaid principal balance together with accrued interest due and payable ninety (90) days after notice to Mortgagor.

A(5) If Mortgagor shall fail to pay any taxes, assessments, expenses or charges, or to keep all of the Mortgaged Property free from