

first day of each month, in addition to making any required payments of principal and interest, until the Note is fully paid, an amount equal to one-twelfth (1/12) of the aggregate yearly taxes, assessments, and other governmental charges as estimated by Mortgagee to be sufficient to enable Mortgagee to pay at least thirty (30) days before they become due all taxes, assessments, and other governmental charges against the Mortgaged Property or any part thereof. Such deposits shall not be, nor be deemed to be, trust funds but may be commingled with the general funds of Mortgagee, and no interest shall be payable in respect thereof. Upon demand by Mortgagee, Mortgagor shall deliver to Mortgagee such additional monies as are required to make up any deficiencies in the amounts necessary to enable Mortgagee to pay such taxes, assessments, and other charges when due. In the event of a default under any of the terms, covenants, and conditions of the Note, this Mortgage, the Loan Agreement or any other instrument securing the Note required to be kept, performed, or observed by Mortgagor, Mortgagee may apply to the payment of the sums secured hereby, in such manner as Mortgagee shall determine, any amount under this paragraph 1.05(b) remaining to Mortgagor's credit.

(c) Mortgagor shall not claim, demand, or be entitled to receive any credit or credits on the principal or interest payable under the terms of the Note or on any other sums secured hereby, for so much of the taxes, assessments, or similar impositions assessed against the Mortgaged Property or any part thereof as are applicable to the indebtedness secured hereby or to Mortgagee's interest in the Mortgaged Property. No deduction shall be claimed from the taxable value of the Mortgaged Property or any part thereof by reason of the Note, this Mortgage, or any other instrument securing the Note.

1.06 Condemnation. If all or any part of the Mortgaged Property shall be damaged or taken through condemnation (which term when used herein shall include any damage or taking by any governmental authority or any other authority authorized by the laws of the State where the Land is located or the United States of America so to