

(iii) any charge which, if unpaid, would become a lien or charge upon the Mortgaged Property prior to or equal to the lien of this Mortgage, before they become delinquent and before any interest attaches or any penalty or other delinquent charge is incurred.

(b) Mortgagee may, in its sole discretion, require Mortgagor to deposit with Mortgagee on the first day of each month, in addition to making any required payments of principal and interest, until the Contract 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 Contract, this Mortgage, or any other instrument securing the Contract required to be kept, performed, or observed by Mortgagor, Mortgagee may apply to the reduction of the sums secured hereby, in such manner as Mortgagee shall determine, any amount under this paragraph 1.04(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 Contract 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 Contract, this Mortgage, or any other instrument securing the Contract.

#### 1.05 Insurance

(a) Mortgagor shall at its sole expense obtain for, deliver to, and maintain for the benefit of Mortgagee, during the life of this Mortgage, insurance policies in such amounts as Mortgagee may require in no event less than the full insurable value of the Mortgaged Property or the loan amount, insuring the Mortgaged Property against fire, extended coverage, and such other insurable hazards,