

premiums on the Premises as the same accrue and are payable. The deposit shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of Mortgagee. If such deposits are insufficient to pay such taxes, special assessments and casualty insurance premiums in full as the same become payable, Mortgagor shall deposit with Mortgagee such additional sum or sums as may be required in order for Mortgagee to pay such taxes, special assessments and casualty insurance premiums in full. Upon any default hereunder, Mortgagee, at Mortgagee's option, may apply said deposit, or any part thereof, to the payment of the Indebtedness in such order as Mortgagee may determine. Upon the payment in full of the Indebtedness and the cancellation and satisfaction of record of this Mortgage, Mortgagee shall refund to Mortgagor any such sums then on deposit with Mortgagee. The term "taxes" as used in this paragraph shall include real property ad valorem taxes, sanitary taxes, personal property ad valorem taxes and any other tax which may or become a lien against the Premises.

1.14 Subrogation. Mortgagee shall be subrogated to all right, title, equity, liens and claims of all persons to whom Mortgagee has paid or pays money in settlement of claims, liens, encumbrances or charges or in the acquisition of any right or title for Mortgagee's benefit under this Mortgage or for the benefit and account of Mortgagor.

1.15 Flood Insurance. Mortgagor represents and certifies to Mortgagee that no part of the Premises lies within a "special flood hazard area" as defined and specified by the United States Department of Housing and Urban Development pursuant to the Flood Disaster Protection Act of 1973. In the event Mortgagee determines that the rules or regulations of the Federal Reserve Board, the Comptroller of the Currency or any other governing agency licensing or regulating the operations of Mortgagee require that flood insurance coverage be obtained for the Premises or any part thereof in order for Mortgagee to comply with such rules or regulations or with the Flood Disaster Protection Act of 1973 as then in effect, then Mortgagor, upon receiving written notice from Mortgagee of such determination: (i) shall promptly purchase and pay the premiums for such flood insurance policies as Mortgagee deems required by such agency or agencies and so that Mortgagee shall be deemed in compliance with the rules and regulations of such agency or agencies and with the Flood Disaster Protection Act of 1973 as then in effect; and (ii) shall deliver such policies to Mortgagee together with evidence satisfactory to Mortgagee that the premiums therefor have been paid. Such policies of flood insurance shall be in a form satisfactory to Mortgagee, shall name Mortgagee as an insured thereunder, shall provide that losses thereunder be payable to Mortgagee pursuant to such forms of loss payable clause as Mortgagee may approve, shall be for an amount at least equal to the Indebtedness or the maximum limit of coverage made available with respect to the Premises under the National Flood Insurance Act of 1968, as amended, whichever is less, and shall be noncancellable as to Mortgagee except upon thirty (30) days prior written notice given by the insurer to Mortgagee. Within fifteen (15) days prior to the expiration date of each such flood insurance policy, Mortgagor shall deliver to Mortgagee a renewal policy or endorsement together with evidence satisfactory to Mortgagee that the premium therefor has been paid.