

furnish Mortgagee receipted bills evidencing such payment. On demand, from time to time, Mortgagee may require that Mortgagor deposit with Mortgagee an amount equal to one-twelfth the amount of annual real estate taxes and any other item which at any time may be or become a lien upon the Premises prior to the lien of this Mortgage or the Prior Mortgages and an amount equal to one-twelfth the amount of the annual premiums for the insurance coverage required pursuant to Paragraphs (a) and (b) of Article 3 hereof, and Mortgagor shall, accordingly, make such deposits, and, in addition, if required by Mortgagee, Mortgagor shall simultaneously therewith deposit with Mortgagee a sum of money which together with the monthly installments aforesaid shall be sufficient to make each of the payments aforesaid at least thirty days prior to the date such payments are due; and on demand, from time to time, Mortgagor shall pay to Mortgagee any additional sums necessary to pay such taxes, insurance premiums, and other items, all as estimated by Mortgagee; the amount so paid shall be security for payment of taxes, insurance premiums and said other items and shall be used in payment thereof if Mortgagor is not otherwise in default hereunder. Amounts so paid shall be held by Mortgagee without interest, may be commingled by Mortgagee with its general funds and provided that no Event of Default shall have occurred under this Mortgage, shall be applied in payment of the charges aforesaid when and as payable, to the extent Mortgagee shall have funds on hand. If, pursuant to any provision of this Mortgage, the whole amount of the unpaid Secured Indebtedness becomes due and payable, Mortgagee shall have the right, at its election, to apply any amount so held against the Secured Indebtedness. At Mortgagee's option, Mortgagee from time to time may waive, and after such waiver, may reinstate the provisions of this paragraph requiring such escrow payments.

3. (a) Mortgagor will at all times keep the Premises and the rents accruing from the Premises insured for the benefit of Mortgagee and the holders of the Prior Mortgages against loss or damage by fire (by appropriate fire insurance and extended coverage insurance) and against such other hazards, casualties and contingencies as may be required from time to time by Mortgagee and such insurance shall be written in such manner and by such companies as are approved by Mortgagee, and in any event in amounts sufficient to provide 90% co-insurance within the terms of the policies covering such risks, and in any event the buildings and improvements shall be insured for not less than full replacement value. Mortgagor will cause a mortgagee clause satisfactory to Mortgagee to be attached to each such policy providing that all payments thereunder shall be made to the order of Mortgagee as its interest may appear, subject to the rights of the holders of the Prior Mortgages, and a clause providing that such policy may not be cancelled without thirty (30) days' prior written notice to Mortgagee. During any construction, repair, restoration or replacement of Improvements, Mortgagor will obtain and keep in effect a standard builder's risk policy with extended coverage in the amount of one hundred percent (100%) of the value of the improvements when completed, with a mortgagee clause and non-cancellation clause as aforesaid and such insurance shall be written in such manner and by such companies as are approved by Mortgagee. Subject to the exercise by the holders of the Prior Mortgages of their respective rights under the Prior Mortgages, if the Premises are damaged by fire or other casualty covered by insurance, and the estimated cost of repair and/or reconstruction is less than \$250,000.00, Mortgagee shall forward the net proceeds of insurance to Mortgagor, which shall hold the same as a trust fund to be used for such repairs. Any unused proceeds shall be returned to Mortgagee to be applied on account of the indebtedness secured hereby, subject to the rights of the holders of the Prior Mortgages. Subject to the exercise by the holders of the Prior Mortgages of their respective rights under the Prior Mortgages, if the estimated cost of repair and/or reconstruction exceeds