

covering the same risks. Should any loss occur to the insured property, Grantor will promptly give notice by mail to Grantee of such loss or damage and will not adjust or settle such loss without Grantee's written consent. Grantee is hereby appointed attorney-in-fact for Grantors to make proof of loss if Grantor fails to do so promptly and to receipt for any sums collected under said policies, which said sums or any part thereof at the option of Grantee may be applied as payment of the indebtedness hereby secured or to the restoration or repair of the mortgaged property so destroyed or damaged. If any insurance losses are paid by check, draft or other instrument payable to Grantor and Grantee jointly, Grantee may endorse Grantor's name thereon and take further steps in behalf of Grantor as are necessary to realize on such instrument. In the event of foreclosure of this mortgage, all right, title and interest of Grantor in and to any insurance policies then in force shall pass to the Grantee who is hereby appointed attorney-in-fact for Grantor to assign and transfer such policies.

2. Grantor will at all times maintain the mortgaged property in good and substantial repair, free from waste or nuisance of any kind; will make all repairs, replacements, improvements and additions which may be necessary to preserve and maintain the mortgaged property; will permit the Grantee, its agents or representatives to inspect the same at any reasonable time; will comply with any reasonable requirements made by Grantee with respect to maintaining and preserving said property, and will establish replacement reserves to Grantee's satisfaction if such repairs, replacements or improvements are not made within 60 days after written notice has been given by Grantee to Grantor specifying the condition requiring maintenance or repair; will comply with all laws, ordinances and regulations affecting said property or its use; will not alter, destroy or remove any of the buildings, improvements or property covered by this mortgage or permit the mortgaged property to be altered, destroyed or removed or used for any purpose other than that for which it is now used or intended without first obtaining Grantee's written permission; will complete in a good workmanship manner any building or improvement which is being or may be constructed or repaired thereon; will pay when due all claims for labor performed and material furnished and will not permit any lien of mechanics or materialmen or any judgment lien to attach to the mortgaged property.

3. Grantor will pay before they become delinquent, all taxes (both general and special), assessments, water rates, sewer service or other governmental or municipal charges, fines or impositions lawfully levied or assessed against the mortgaged property, or any part thereof, or upon the rents, income and profits thereof, so that the lien and priority of this mortgage shall be fully preserved; will promptly at the request of Grantee deliver to Grantee the receipt showing such payment; and will allow no payment of any taxes, assessments or governmental charges by a third party with subrogation attaching; nor permit the mortgaged property or any part thereof to be sold or forfeited for any tax, assessment or governmental charge whatsoever. Grantor shall further pay all taxes which may be levied upon the Grantee's interest in the mortgaged property or which may be levied upon this Mortgage Deed or the debt or Note secured hereby.

4. In case the Grantor fails to make payment of any taxes, assessments, liens, insurance premiums or any other charges herein covenanted by them to be paid at the time when the same shall become due and payable, or shall default in the performance of any other covenant hereunder or under any Construction Loan Agreement or other loan agreement made in connection with any loan secured hereby, then, in such case, the Grantee in its discretion, but no obligation is hereby imposed upon it so to do, or any receiver appointed hereunder, may make payment of any such sums and perform any such covenants in respect of which there has been a default, and the Grantor agrees promptly to repay any sums so advanced, without demand, with interest at the Default Interest Rate from the date of such payments or advances and such sums so advanced or expended, with interest as aforesaid, together with reasonable attorney fees, shall be secured hereby and shall be included or allowed in any judgment or decree in any foreclosure suit or other proper judicial proceeding, but no such advance shall relieve the Grantor of the consequences of any such default.

5. If required by Grantee, Grantor will make monthly deposits with Grantee, in a non-interest bearing account, at the same times as installments of principal and interest are payable, of a sum equal to one-twelfth (1/12th) of the estimated yearly taxes and assessments levied or to be levied against the mortgaged property as estimated by Grantee. Such deposits shall be applied by Grantee to the payment of such taxes and assessments when due. Any insufficiency of such account to pay such taxes and assessments when due shall be payable by Grantor on demand. Upon any default under this mortgage, Grantee may apply any funds in said account to any obligation then due under this mortgage. The