

Any sum which may become due under any such policy may be applied by said Mortgagee, at its option, either to reduce said debt or to repair or replace the improvements covered by said policy. Said Mortgagee may procure and substitute for any and all of the insurance so held as aforesaid, such other policy or policies of insurance, in such amount, as it may determine, should Mortgagor fail to replace any insurance furnished within ten (10) days after being notified that the insuring company is no longer approved by the Mortgagee. Upon any default, the Mortgagee, its Successors and Assigns, may effect such insurance and reimburse itself under this mortgage for the expenses thereof, with interest thereon at Eight and One-Half (8-1/2%) per cent per annum from the date of its payment.

AND IT IS AGREED, by and between the said parties, that if the Mortgagor, its Successors or Assigns, shall fail to pay all taxes and assessments upon the said premises when the same shall first become payable and to insure and pay insurance premiums, then the said Mortgagee, its Successors and Assigns, may cause the same to be paid, together with all penalties and costs incurred thereon, and to insure and pay insurance premiums, and reimburse itself under this mortgage for the sum so paid, with interest thereon at Eight and One-Half (8-1/2%) per cent per annum from the date of such payment.

IT IS AGREED that upon request Mortgagor will pay to Mortgagee, on the first day of each month, such amount as Mortgagee from time to time estimates will be required to maintain in a non-interest bearing account a balance from which to pay before the same become past due all taxes, assessments and other governmental liens or charges against the property hereby mortgaged and all premiums for insurance required by this mortgage to be furnished by Mortgagor. The Mortgagor shall procure and deliver to Mortgagee in advance statements for such charges other than rents. Payments from said account for such purposes