

option, either to reduce said debt or to repair or replace the improvements covered by said policies. Said Mortgagee may at any time, at its own discretion, procure and substitute for any and all of the insurance so held as aforesaid, such other policy or policies of insurance, in like amount, as it may determine without prejudice to its right to foreclose hereunder by it should mortgagor fail or refuse to keep said premises so insured. In the event of loss the Mortgagor will give immediate notice by mail to the Mortgagee who may make proof of loss if not made promptly by the Mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Mortgagee instead of to Mortgagor and Mortgagee, jointly.

AND IT IS AGREED, by and between the said parties, that if the Mortgagor, its successors and assigns, shall fail to pay the insurance premiums and/or other assessments upon the said premises when the same shall first become payable, then the said Mortgagee, its successors and assigns, may cause the same to be paid, together with all penalties and costs incurred thereon, and the Mortgagee will cause said sums to be added to the principal amount of the obligation under this Mortgage for the sum so paid, with interest thereon from the date of such payment at the rate of twelve (12%) per cent per annum.

IT IS AGREED that the Mortgagor will pay to Mortgagee, its successors and assigns, 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, hazard insurance premiums, assessments and other governmental liens or charges against the property hereby mortgaged. Payments from said account for such purposes may be made by the Mortgagee at its discretion even though subsequent owners of the property