

- 3 -

policies of insurance to the said mortgagee, and that in the event the mortgagors shall at any time fail to do so, then the mortgagee may cause the same to be insured and reimburse itself for the premium, with interest, under this mortgage, or the mortgagee at its election may on such failure declare the debt due and institute foreclosure proceedings.

And should the mortgagee by reason of any such insurance against loss by fire or insurance against loss from other hazards covered by extended coverage insurance, as aforesaid, receive any sum or sums of money for any damage to the said building or buildings, such amount may be retained and applied by it toward payment of the amount hereby secured; or the same may be paid over, either wholly or in part, to the said mortgagors, their heirs or assigns, to enable such party to repair said building or to erect new buildings in their place, or for any other purpose or object satisfactory to the mortgagee, without affecting the lien of this mortgage for the full amount secured thereby before such damage, or such payment over, took place.

In case of default in the payment of any part of the principal indebtedness, or of any part of the interest, at the time the same becomes due, or in the case of failure to keep insured for the benefit of the mortgagee the houses and buildings on the premises against fire and other hazards covered by extended coverage insurance, as herein provided, or in case of failure to pay any taxes or assessments to become due on said property within the time required by law; in either of said cases the mortgagee shall be entitled to declare the entire debt due and to institute foreclosure proceedings.