

such loss directly to Mortgagee instead of to Mortgagor and Mortgagee jointly. Any and all amounts received by Mortgagee under any of such policies may be applied by Mortgagee on the indebtedness secured hereby in such manner as Mortgagee may, in its sole discretion, elect or, at the option of the Mortgagee, the entire amount so received or any part thereof may be released. Such insurance policies, and abstracts of title and other title evidence, shall be delivered to and held by Mortgagee without liability. In event of foreclosure of this mortgage or other transfer of title to the premises in extinguishment of the indebtedness secured hereby, all right, title and interest of Mortgagor in and to such insurance policies, abstracts of title and other title evidence shall become the absolute property of Mortgagee.

6. That Mortgagor (i) will not remove or demolish nor alter the design or structural character of any building now or hereafter erected upon the premises unless Mortgagee shall first consent thereto in writing; (ii) will maintain the premises in good condition and repair; (iii) will not commit or suffer waste thereof; (iv) will not cut or remove nor suffer the cutting or removal of any trees or timber on the premises (except for domestic purposes) without Mortgagee's written consent; (v) will comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting the premises, and will not suffer or permit any violation thereof.

7. If Mortgagor fails to pay any claim, lien or encumbrance which is prior to this Mortgage, or, when due, any tax or assessment or insurance premium, or to keep the premises in repair, or shall commit or permit waste, or if there be commenced any action or proceeding affecting the premises or the title thereto, then Mortgagee, at its option, may pay said claim, lien, encumbrance, tax, assessment or premium, with right of subrogation thereunder, may procure such abstracts or other evidence of title as it deems necessary, may make such repairs and take such steps as it deems advisable to prevent or cure such waste, and may appear in any such action or proceeding and retain counsel therein, and take such action therein as Mortgagee deems advisable, and for any of said purposes Mortgagee may advance such sums of money it deems necessary. Mortgagee shall be the sole judge of the legality, validity and priority of any such claim, lien, encumbrance, tax, assessment and premium, and of the amount necessary to be paid in satisfaction thereof.

8. Mortgagor will pay to Mortgagee, immediately and without demand, all sums of money advanced by Mortgagee pursuant to this Mortgage, together with interest on each such advancement at the rate of seven per cent (7%) per annum, and all such sums and interest thereon shall be secured hereby.

9. If default be made in payment of any installment of principal or interest of said Note or any part thereof when due, or in payment, when due, of any other sum secured hereby, or in performance of any of Mortgagor's obligations, covenants or agreements hereunder,