

enable Mortgagee to pay at least thirty (30) days before they become due, or at least thirty (30) days before they are required to be paid to a Senior Mortgagee, as the case may be, all taxes, assessments, water charges and sewer rents, and other similar charges against the Mortgaged Property or any part thereof. Such deposits shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of Mortgagee, and no interest shall be payable in respect thereof. Upon demand by Mortgagee, Mortgagor shall deliver to Mortgagee such additional monies as are required to make up any deficiencies in the amounts necessary to enable Mortgagee to pay such taxes, assessments and similar charges. In the event of a default under any of the terms, covenants and conditions in the Note, this Mortgage or any other instrument securing the Note to be kept, performed or observed by Mortgagor, Mortgagee may apply to the reduction of the sums secured hereby, in such manner as Mortgagee shall determine, any amount under this Paragraph remaining to Mortgagor's credit. Notwithstanding the foregoing, however, as long as there is no Event of Default hereunder and the holder of any Senior Mortgage shall require that it hold such funds for the payment of the foregoing, Mortgagee shall deliver to such holder any payments made to it pursuant to this Subparagraph for such purpose, and Mortgagee's responsibility to make any payment to any taxing authority shall be deemed discharged hereunder.

c. Mortgagor shall not permit or suffer any mechanics', laborer's, materialmen's, statutory or other lien which might or could be prior or equal to the lien of this Mortgage to be created or to remain a lien upon any of the Mortgaged Property. Notwithstanding the foregoing, Mortgagor may challenge any such lien in good faith, provided, if such lien exceeds \$5,000.00 in amount, then Mortgagor shall post with Mortgagee a bond in the amount of such lien and provided the holder of any Senior Mortgage consents thereto.

d. In the event of the passage after the date of this Mortgage of any law of the state in which the Mortgaged Property is located, deducting from the Land for the purpose of taxation any lien thereon, or changing in any way the laws now in force for the taxation of mortgages, deeds of trust, or debts secured thereby, for state or local purposes, or the manner of the operation of any such taxes so as adversely to affect the interest of Mortgagee, then and in such event, Mortgagor shall bear and pay the full amount of such taxes; provided, that if for any reason payment by Mortgagor of any such new or additional taxes would be unlawful or if the payment thereof would constitute usury or render the loan or indebtedness secured hereby wholly or partially usurious under any of the terms or provisions of the Note, or this Mortgage, or otherwise, Mortgagee may, at its option, declare the whole sum secured by this Mortgage with interest accrued thereon to be immediately due and payable, or Mortgagee may, at its option, pay to Mortgagor that amount or portion of such taxes as renders the loan or indebtedness secured hereby unlawful or usurious, in which event Mortgagor shall concurrently therewith pay the re-