

be made as the repair or restoration progresses in accordance with plans and specifications approved by the Mortgagee's architect and engineer, in a manner and subject to such conditions satisfactory to the Mortgagee and upon appropriate certification by such architect and engineer. The Mortgagee shall not be obligated to see to the proper application of any amount paid to the Mortgagor. Any balance of such proceeds of insurance not utilized for such repair or restoration shall be applied without premium to the payment of the Secured Indebtedness in inverse order of maturity of the installments thereof.

(e) Escrows. To assure the payment of all real estate taxes and insurance premiums which are assessed or payable with respect to the Mortgaged Property, at the Mortgagee's option, the Mortgagor shall deposit or cause to be deposited with the Mortgagee or an escrowee selected by the Mortgagee, on the first day of each calendar month during the term of the Note, a sum determined by the Mortgagee to be sufficient to pay (i) one-twelfth (1/12th) of the estimated annual real estate taxes assessed against the Mortgaged Property and (ii) one-twelfth (1/12th) of the annual insurance premiums necessary to obtain the insurance required of the Mortgagor pursuant to Section 3.1(d) of this Mortgage. Whenever the Mortgagee reasonably determines that the sums accumulated under the provisions of this subsection are

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