

- E. The Assignee covenants and agrees with the undersigned as follows:
1. That any balance of sums received hereunder from the Insurer remaining after payment of the then existing Liabilities, matured or unmatured, shall be paid by the Assignee to the persons entitled under the terms of the Policy had this assignment not been executed;
 2. That the Assignee will not exercise either the right to surrender the Policy or (except for the purpose of paying premiums) the right to obtain policy loans from the Insurer, until there has been default in any of the Liabilities or any of the covenants of this Mortgage or a failure to pay any premium when due and Mortgagor herein promises and shall be obligated and liable to pay each and every premium upon said life insurance within five (5) days of the premium due date and the principal of or interest on any loans or advances on the Policy whether or not attained by the Assignee.
 3. That the Assignee will upon request forward without unreasonable delay to the Insurer the Policy for endorsement of any designation or change of beneficiary or any election of an optional mode of settlement.
- F. The Insurer is hereby authorized to recognize the Assignee's claims to rights hereunder without investigating the reason for any action taken by the Assignee, or the validity or the amount of the Liabilities or the existence of any default therein, or the giving of any notice under Paragraph E (2) above or otherwise, or the application to be made by the Assignee of any amounts to be paid to the Assignee. The sole signature of the Assignee shall be sufficient for the exercise of any rights under the Policy assigned hereby and the sole receipt of the Assignee for any sums received shall be a full discharge and release therefor to the Insurer. Checks for all or any part of the sums payable under the Policy and assigned herein, shall be drawn to the exclusive order of the Assignee if, when, and in such amounts as may be requested by the Assignee.
- G. The Assignee shall be under no obligation to pay any premium, or the principal of or interest on any loans or advances on the Policy whether or not obtained by the Assignee, or any other charges on the Policy, but any such amounts so paid by the Assignee from its own funds, shall become a part of the Liabilities hereby secured, shall be due immediately, and shall draw interest at a rate fixed by the Assignee from time to time not exceeding 10% per annum.
- H. The exercise of any right, option, privilege or power given herein to the Assignee shall be at the option of the Assignee, but (except as restricted by Paragraph E (2) above) the Assignee may exercise any such right, option, privilege or power without notice to, or assent by, or affecting the liability of, or releasing any interest hereby assigned by the Mortgagor(s) or any of them.
- I. Each of the Mortgagor(s) declares that no proceedings in bankruptcy are pending against him and that his property is not subject to any assignment for the benefit of creditors.

In the event of default by the Mortgagor(s) in the making of the above premium payments or any of the covenants hereinabove provided, the owner of this note and assignment shall at its option be entitled to declare the unpaid principal then owing on the indebtedness hereby secured immediately due and payable, and proceed with the foreclosure of the real property hereinabove described in the manner prescribed in this Mortgage.

In the event of a sale or transfer of the real property secured by this Mortgage, the holder of the indebtedness hereby secured may

