

policies of insurance held by Mortgagee pursuant to the provisions of paragraph 3 hereof, and any special assessments, charges or claims or any other item, which might become a lien upon the Mortgaged Premises prior to the lien of this Mortgage. Such installment payments may be used by Mortgagee for the purposes designated at such time or times as Mortgagee, in its sole discretion, may determine; provided, however, that if Mortgagor in good faith and by appropriate legal action shall contest the validity of any such tax or charge, or the amount thereof, and shall have established by deposit of cash with Mortgagee a reserve for the payment thereof in such amount as Mortgagee may require, then Mortgagee shall not pay any such tax or charge (a) while the reserve is maintained and (b) so long as the contest operates to prevent collection, is maintained and prosecuted with diligence, and shall not have been terminated or discontinued adversely to Mortgagor. No amount so paid shall be deemed to be trust funds but may be commingled with general funds of Mortgagee or may be held by Mortgagee in a common escrow account; no interest shall be payable thereon and Mortgagee may retain for itself any income or benefit therefrom. If at any time the fund so held by Mortgagee shall be insufficient to pay any tax, assessment, rents, charges or premiums, Mortgagor shall, upon receipt of notice, deposit with Mortgagee such additional funds as may be necessary to remove such deficiency.

7. Leases. Mortgagor will perform all the terms and conditions of any lease or leases affecting the Mortgaged Premises and not accept rent in advance for a period of more than one month; will assign to Mortgagee all existing and future leases of the Mortgaged Premises by assignments in