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each of the Policies, the Mortgagor shall deliver to the Mortgagee a renewal policy or policies marked "premium paid" or accompanied by other evidence of payment of the premium satisfactory to the Mortgagee. Sums paid to the Mortgagee by any insurer, after reimbursement of all costs and expenses of the Mortgagee in collecting such proceeds, shall be applied by the Mortgagee to the cost of repair, restoration, and replacement of the Improvements and Equipment provided (a) no default exists under this Mortgage, (b) the Property can be restored to its former condition pursuant to applicable zoning and building laws and codes, and (c) either the Mortgagee or the Mortgagor have elected to restore pursuant to the provisions of Paragraph D of Section 22 of this Mortgage (the foregoing proviso (a), (b), and (c) are hereinafter referred to as the "Application Conditions"). Fifty percent of any sums ("Excess Funds") in excess of the amounts applied to such costs of repair, restoration and replacement shall be applied by the Mortgagee towards payment of the Note in such priority and proportions as the Mortgagee in its discretion shall deem proper. The balance of any Excess Funds shall be paid to the Mortgagor and shall be included within Revenue for purposes of Section 22 during the period in which such Excess Funds are received.

4. Payment of Taxes. The Mortgagor shall pay when due all taxes, assessments, water rates, sewer rents, and other charges, now or hereafter levied or assessed against, upon or on account of, the Property, this Mortgage, or the Mortgagor's interest in the Property, whether levied against the Mortgagor or otherwise (collectively, the "Taxes"). The Mortgagor shall deliver to the Mortgagee, upon request, receipted bills, cancelled checks, or other evidence reasonably satisfactory to the Mortgagee evidencing the payment of the Taxes.

5. Escrow Fund. The Mortgagor shall, at the option of the Mortgagee, pay to the Mortgagee, on the first day of each calendar month, one-twelfth of an amount which would be sufficient to pay the Taxes and premiums for the insurance required to be provided by the Mortgagor pursuant to Section 3 during the ensuing twelve months. The Mortgagee shall apply such payments (the "Escrow Fund") to the payments required to be made by the Mortgagor pursuant to Sections 3 and 4. If the amount of the Escrow Fund shall exceed the amounts due pursuant to Sections 3 and 4, the Mortgagee shall, in its discretion, return any excess to the Mortgagor or credit such excess against future payments to be made by the Mortgagor pursuant to this Section 5. In allocating such excess, the Mortgagee may deal with the persons shown on the Mortgagee's records to be the owner of the Property. If the Escrow Fund is not sufficient to pay the Taxes and insurance premiums as the same become payable, the Mortgagor shall pay to the Mortgagee upon request, an amount which the Mortgagee shall estimate as sufficient to make up the deficiency. Until expended or applied as provided above, any amounts in the Escrow Fund may

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