

liens or claims on the part of creditors of the Borrower and as part of the security of the Lender, and shall be used by the Lender to pay current taxes and assessments and insurance premiums on the Premises as the same accrue and are payable. Payment from said sums for said purposes shall be made by the Lender at its discretion and may be made even though such payments will benefit subsequent owners of the Premises. Said deposits shall not be, nor be deemed to be, trust funds, but, to the extent permitted by applicable law, may be commingled with the general funds of the Lender. If said deposits are insufficient to pay the taxes and assessments and insurance premiums in full as the same become payable, the Borrower will deposit with the Lender such additional sum or sums as may be required in order for the Lender to pay such taxes and assessments and insurance premiums in full. Upon any default in the provisions of this Mortgage or the Note, or any instrument evidencing, securing or in any way relating to the Indebtedness, the Lender may, at its option, apply any money in the fund resulting from said deposits to the payment of the Indebtedness in such manner as it may elect.

1.05 Condemnation. If all or any portion of the Premises shall be damaged or taken through condemnation (which term when used in this Mortgage shall include any damage or taking by any governmental or quasi-governmental authority and any transfer by private sale in lieu thereof), either temporarily or permanently, then the entire Indebtedness shall, at the option of the Lender, immediately become due and payable. The Borrower, immediately upon obtaining knowledge of the institution, or the proposed, contemplated or threatened institution, of any action or proceeding for the taking through condemnation of the Premises or any part thereof shall notify

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