

The mortgagor covenants and agrees to pay into a non-interest bearing account ("account") maintained by the holder of the Note hereby secured ("holder"), with each payment to the holder under the terms of the Note, an amount which shall, when multiplied by the number of loan payments due under the Note each year, be sufficient, in the estimation of the holder (as determined each year) to pay, before same becomes due, all taxes, assessments and other governmental liens or other encumbrances and charges against the subject property and all premiums for fire, extended coverage, vandalism, malicious mischief, liability, and boiler insurance required by this mortgage to be furnished by the mortgagor. The mortgagor covenants and agrees to procure and deliver to the holder statements for any such charges in advance of the date on which such charges shall be due. Payments from the account for the said purposes will, at the discretion of the holder, be made as same become due or payable even though subsequent owners of the subject property may benefit by such payments. If the balance in the account shall from time to time exceed the amounts needed, then the excess shall be held without interest for future payments from the account for the purposes herein specified. If at any time the account does not contain sufficient funds to pay any of the said charges as same become due, then the mortgagor shall, upon written demand from the holder, immediately pay into the account the amount necessary to pay such charges in full. The account (i) shall be held free of any liens or claims on the part of creditors of the mortgagor and (ii) shall not be, or deemed to be, a trust fund, but the balance thereof may be commingled with the general funds of the holder. In the event of any default under the terms of this mortgage, the Note hereby secured, or any other instrument(s) securing said Note, any part or all of the balance in the account may, at the option of the holder, be applied to any part of the indebtedness (including interest) evidenced by the said Note. The holder may, in refunding any part of the account as a result of the said Note being paid in full or for any other reason, pay the amount being refunded to whoever is represented to be the owner of the subject property or any portion thereof at the time such refund is made. The enforceability of the covenants herein contained relating to taxes, assessments, fire, extended coverage, vandalism, malicious mischief, liability, and boiler insurance premiums shall not be affected by this paragraph except that the obligations hereunder have been actually met by compliance with this paragraph.

And it is covenanted that if the said mortgagor does not hold said premises by title in fee simple, or has not good right and lawful authority to sell, convey or encumber the same; or if said premises are not free and clear of all liens and encumbrances whatsoever; or if any suits have been begun affecting the same, or if any taxes or assessments be made or levied upon the debt secured hereby, or upon the mortgagee or its successors, or assigns for or on account of this loan, either by the state or county, or for local purposes, the mortgagee or its successors or assigns shall have the right to declare the entire indebtedness secured hereby at once due and payable, and the mortgagor or the person or persons claiming or holding under the mortgagor shall at once pay the entire indebtedness secured hereby.

And it is further covenanted and agreed that in case this mortgage or the indebtedness secured hereby be placed in the hands of an attorney for collection, or be collected by legal proceeding, the further sum of ten per centum on the amount then due shall be paid by the mortgagor or the person or persons claiming through or under the mortgagor, for attorney's commissions and also in addition thereto, there shall be paid a reasonable counsel fee, all of which shall stand secured by this mortgage and may be recovered in any suit or action hereupon or hereunder.

And it is covenanted and agreed that at all times during the continuance of this mortgage, the mortgagor shall perform all of the terms and conditions imposed upon it by virtue of all leases entered into by it for the use of the premises covered by this mortgage. In the event of default