

the payment of any tax, assessment or charge, may, if it sees fit, be thereby subrogated to the rights of the State, County, Village and all political or governmental subdivisions. No such advances shall be deemed to relieve the mortgagor from any default hereunder or impair any right or remedy consequent thereon, and the exercise of the rights to make advances granted in this paragraph shall be optional with the mortgagee and not obligatory and the mortgagee shall not in any case be liable to the mortgagor for a failure to exercise any such right.

8. Mortgagor will pay all sums, the failure to pay which may result in the acquisition of a lien prior to the lien of this mortgage before such a prior lien may attach or which may result in conferring upon a tenant of any part of the mortgaged premises a right to recover such sums as prepaid rent.

9. Mortgagee shall be subrogated for further security to the lien, although released of record, of any and all encumbrances paid out of the proceeds of the loan secured by this mortgage.

10. That, if any action or proceeding be commenced (excepting an action to foreclose this mortgage or to collect the debt hereby secured), to which action or proceeding the mortgagee is made a party by reason of the execution of this mortgage or the note which it secures, or in which the mortgagee deems it necessary to defend in order to uphold the lien of this mortgage or the priority thereof or possession of said mortgaged premises, all sums paid or incurred by the mortgagee for counsel fees and other expenses in such action or proceeding shall be repaid by the mortgagor, together with interest thereon from date of payment by the mortgagee, at the rate of ten (10%) per cent per annum, and all such sums and the interest thereon shall be immediately due and payable and be secured hereby, having the benefit of the lien hereby created and of its priority.

11. Mortgagor agrees that all awards heretofore or hereafter made by any public or quasi-public authority to the present and all subsequent owners of the premises covered by this mortgage by virtue of an exercise of the right of eminent domain by such authority, including any award for a taking of title, possession or right of access to a public way, or for any change of grade of streets affecting said premises, are hereby assigned to the mortgagee; and the mortgagee, at its option, is hereby authorized, directed and empowered to collect and receive the proceeds of any such award and awards from the authorities making the same and to give proper receipts and acquittances therefor, and may, at the mortgagee's election, use such proceeds in any one or more of the following ways: (1) apply the same or any part thereof upon the indebtedness secured hereby, whether such indebtedness then be matured or unmatured, (2) use the same or any part thereof to fulfill any of the covenants contained herein as the mortgagee may determine, (3) use the same or any part thereof to replace or restore the property to a condition satisfactory to the mortgagee, or (4) release the same to the mortgagor; and the mortgagor hereby covenants and agrees to and with the mortgagee, upon request by the mortgagee, to make, execute and deliver any and all assignments and other instruments sufficient for the purpose of assigning all such awards to the mortgagee free, clear and discharged of any and all encumbrances of any kind or nature whatsoever.

12. Mortgagor will pay to mortgagee, to the extent requested by the mortgagee, on dates upon which interest is payable, such amounts as the mortgagee from time to time estimates as necessary to create and maintain a reserve fund from which to pay before the same become due, all taxes, assessments, liens and charges on or against the property hereby mortgaged, and premiums for insurance as is herein covenanted to be furnished by the mortgagor. Payments from said reserve fund for said purposes may be made by the mortgagee at its discretion even though subsequent owners of the property described herein may benefit thereby.