

124

Any proceeds becoming payable under such insurance shall be paid to American National and, at its option, may be applied to the debt secured hereby or released for repairing or rebuilding the premises.

4. That in addition to principal and interest due under the Note secured hereby it will deposit, without interest, into an escrow account with American National each month 1/12 of the amounts necessary to pay general and special taxes next becoming payable on the premises and premiums for hazard insurance on the premises next becoming payable, the amounts of such installments to be fixed by American National so that the estimated amounts of taxes and premiums will be on hand when they respectively come due. Any deficiency in such amounts caused by an underestimate shall be paid to American National on demand, and any excess caused by an overestimate shall be credited on installments subsequently payable hereunder for taxes and insurance premiums. In case action is brought to recover the debt secured hereby, any funds held by American National for payment of taxes and insurance premiums shall be credited on the debt at the time judgment is rendered in the action. Upon full payment of the debt secured hereby any such funds on hand shall be returned to Jayhawker.

5. That it will not consolidate or merge with any other corporation or permit any other corporation to merge into it, and it will not sell or convey the premises or any part thereof to any person or corporation without prior written consent of American National. However, the conveyance of a portion of or the granting of an easement in the premises to a municipal corporation, governmental agency, or public utility corporation having the power of eminent domain in lieu of the taking of such portion of or easement in the premises by condemnation shall not be considered a violation of this covenant.

6. That it will immediately notify American National of the institution of any proceeding for the condemnation of the premises or any portion thereof or easement therein of which it obtains knowledge. Any award, damages, or compensation payable to Jayhawker for the taking of any portion of or easement in the premises by condemnation, including any amount paid upon a conveyance or grant made in lieu of such taking, shall be paid and is hereby assigned to American National, and shall be applied by it to the interest and principal of the debt secured by this mortgage.

7. That it will keep the premises in good repair and not commit waste thereof; and will pay when due all charges for the furnishing of labor, equipment, material, or supplies used or consumed for the improvement or repair of the premises.

8. That American National may pay any taxes, insurance premiums, repair bills, or other items which Jayhawker, contrary to the provisions hereof, fails to pay, and may also make any payment necessary to remove or extinguish any prior or outstanding title or encumbrance on the premises. All amounts so paid by American National, with interest thereon at the rate of 10% per annum from the date of payment, shall be repaid on demand and shall be secured by this mortgage.

9. That American National and any purchaser at a foreclosure