

the Mortgagor will, if required by the Mortgagee, pay to the Mortgagee, on the first day of each month until said Note is fully paid, the following sums:

(a) A sum equal to the premiums that will next become due and payable on policies of fire and other hazard insurance covering any improvements on the mortgaged premises, plus taxes and assessments next due on the mortgaged premises (all as estimated by the Mortgagee) less all sums already paid therefor divided by the number of months to elapse before one month prior to the date when such premiums, taxes and assessments will become delinquent, such sums to be held by Mortgagee in trust, in a non-interest bearing account, to pay said premiums, taxes, and special assessments. It is further agreed that as of the date of the execution of the within Mortgage, or at any later date while a balance is still outstanding hereunder, Mortgagee may collect from Mortgagor the pro rata share of taxes and assessments owed from the beginning of the tax or assessment year to the date of the next monthly installment, plus a sum equal to one-quarter (1/4) of the estimated yearly taxes. Any and all such sums hereinabove referred to shall be placed in Mortgagee's Escrow Account for payment of taxes, assessments and insurance when due; and

(b) All payments mentioned in the preceding subsection of this article and all payments to be made under the Note secured hereby shall be added together and the aggregate amount thereof shall be paid each month in a single payment to be applied by the Mortgagee to the following items in the order set forth;

- (i) Taxes, special assessments, fire and other hazard insurance premiums;
- (ii) Interest on the Note secured hereby; and
- (iii) Amortization of the principal of said Note. Any deficiency in the amount of such aggregate monthly payment shall, unless made good by the Mortgagor prior to the due date of the