

AND IT IS AGREED, by and between the said parties, that if the Mortgagor, his heirs and assigns, shall fail to pay the insurance premiums and/or other assessments upon the said premises when the same shall first become payable, then the said Mortgagee, its successors and assigns, may cause the same to be paid, together with all penalties and costs incurred thereon, and the Mortgagee will cause said sums to be added to the principal amount of the obligation under this Mortgage for the sum so paid, with interest thereon from the date of such payment at rate specified in the Note secured hereby.

IT IS AGREED that the Mortgagor will pay to Mortgagee, its successors and assigns, on the first day of each month, such amount as Mortgagee from time to time estimates will be required to maintain in a non-interest bearing account a balance from which to pay before the same become past due all taxes, hazard insurance premiums, assessments and other governmental liens or charges against the property hereby mortgaged. Payments from said account for such purposes may be made by the Mortgagee at its discretion even though subsequent owners of the property described herein may benefit thereby. If the total of such monthly payments shall exceed the amount needed, the excess shall be held for future needs; but should such monthly payments at any time fail to provide sufficient funds to pay taxes, assessments and insurance premiums when due, then the Mortgagor shall upon demand pay to the Mortgagee the amount necessary to cover the deficiency. In the event of any default under the terms of this Mortgage, any part or all of the balance of said account may be applied to any part of the indebtedness hereby secured, and in refunding any part of said account, the Mortgagee may deal with whoever is represented to be the owner of said property at that time. The enforceability of the covenants relating to taxes, hazard insurance premiums, and assessments provided for herein shall not be affected except to the extent that