

policy insuring Lender's interest in the Property.

UNIFORM COVENANTS. Mortgagor, TIG and Lender covenant and agree as follows:

1. Payment of Principal and Interest. TIG shall promptly pay when due the principal of and interest on the indebtedness evidenced by the Note, prepayment and late charges as provided in the Note, and the principal of and interests on any Future Advances secured by this Mortgage.

2. Funds for Taxes and Insurance. Subject to Lender's option under paragraphs 4 and 5 hereof, Mortgagor shall pay to Lender on the day monthly installments of principal and interest are payable under the Note, until Note is paid in full, a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments which may attain priority over this Mortgage, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially and from time to time by Lender on the basis of assessments and bills & reasonable estimates thereof. The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender shall make no charge for so holding and applying the Funds or verifying and compiling said assessments and bills. Mortgagor and Lender may agree in writing at the time of execution of this Mortgage that interest on the Funds shall be paid to Mortgagor and unless such agreement is made, Lender shall not be required to pay Mortgagor any interest on the Funds. Lender shall give to Mortgagor, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purposes for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be promptly repaid to Mortgagor. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Mortgagor shall pay to Lender any amount necessary to make up the deficiency with thirty (30) days after notice from Lender to Mortgagor requesting payment thereof.

Upon payment in full of all sums secured by this Mortgage, Lender

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