(c) specifying the additional amount, if any, required for the completion of such repairs.

Notwithstanding the foregoing, no payment pursuant to this Paragraph 3 shall be made which would reduce the balance of insurance proceeds held by Mortgagee below the additional amount required to complete the repairs as specified in the certificate required pursuant to this Paragraph 3. After all such repairs have been completed and paid for, the balance of the insurance proceeds, if any, may at the sole option of the Mortgagee, be retained by the Mortgagee and applied against the then outstanding principal of the indebtedness secured hereby in inverse order of maturity.

If the Mortgagor, its successors, heirs or assigns, should fail to pay the insurance premiums or other assessments upon the premises when the same shall first become payable, then said Mortgagee, its successors and assigns, may pay the same, together with all penalties and costs incurred thereon, and said payments shall be added to the principal amount of the obligation under this Mortgage, with interest thereon from the date of such payment at the rate specified in the Note secured hereby.

Notwithstanding anything to the contrary herein or in the Note secured hereby, any amounts received by Mortgagee pursuant to this Paragraph 3 and applied to the outstanding balance shall not require the payment of any premium for the privilege of making prepayment.

4. If required by the Mortgagee, to deposit with the Mortgagee on the due date of each quarterly installment upon the Note secured by this Mortgage a sum, which, in the estimation of the Mortgagee, shall be equal to 1/4 of the annual taxes and assessments and insurance premiums covering the property, which deposits shall be held by the Mortgagee free of interest and free of liens or claims on part of the creditors of the Mortgagor and as part of the security of the Mortgagee and to be used by the Mortgagee to pay current taxes and assessments and insurance premiums on the above described property as the same accrue and are payable.