

## THE MORTGAGORS COVENANT AND AGREE AS FOLLOWS:

1. That, at the option of and upon request of the mortgagee, they will pay to the mortgagee, on the first day of each month until the said note is fully paid, a sum equal to one-twelfth of the annual ad valorem taxes, public assessments and premiums for insurance required under the terms and provisions of this mortgage as estimated by the mortgagee, such sums to be held by the mortgagee in escrow, to pay said taxes, special assessments and insurance premiums. If the total of the payments made by the mortgagors under this paragraph shall exceed the amount of payments actually made by the mortgagee for taxes or assessments or insurance premiums, as the case may be, such excess may be credited by the mortgagee on subsequent payments to be made by the mortgagors. If, however, the monthly payments made by the mortgagors under this paragraph shall not be sufficient to pay taxes and assessments and insurance premiums, when the same shall become due and payable, then the mortgagors shall pay to the mortgagee any amount necessary to make up the deficiency, on or before the date when payment of such taxes, assessments or insurance premiums shall be due. If there shall be a default under any of the provisions of this mortgage resulting in a public sale of the premises covered hereby, or if the property is otherwise acquired after default, the mortgagee shall apply, at the time of commencement of such proceedings, or at the time the property is otherwise acquired, the balance then remaining in the funds accumulated under this paragraph, as a credit against the amount of principal then remaining unpaid under the note secured hereby.

2. That at all times during the continuance of this mortgage and until said mortgage shall be fully paid or released, the mortgagors will keep all improvements now or hereafter on said premises unceasingly insured against fire, tornado and such other perils as may be required by Carolina Federal Savings and Loan Association, Greenville, South Carolina, its successors or assigns, in such responsible insurance company or companies as shall be satisfactory to the mortgagee, its successors or assigns, in an amount satisfactory to said mortgagee, its successors or assigns, with a