

the insurance of the premises covered hereby against loss by fire or such other hazard as may be required by the mortgagee, in amounts and in a company or companies satisfactory to the mortgagee. Such installments shall be equal, respectively, to the estimated premium or premiums for such insurance, and taxes and assessments, next due (as estimated by the mortgagee) less all installments already paid therefor, divided by the number of months that are to elapse before one month prior to the date when such premium or premiums and taxes and assessments will become due. The said mortgagee shall use such monthly payments to the extent they will suffice to pay such premium or premiums and taxes and assessments when due.

(b) All monthly payments mentioned in the preceding subsection (a) of this Paragraph 2, and all payments to be made under the note secured hereby shall be added together, and the aggregate amount thereof shall be paid by the mortgagor each month on the date specified in said note for the payment of monthly installments in a single payment to be allocated by the mortgagee to the following items in the order set forth:

- i. taxes, assessments, fire and other hazard insurance premiums;
- ii. interest on said indebtedness secured hereby;
- iii. amortization of the principal of said indebtedness secured hereby.

3. Any deficiency in the amount of the aggregate monthly payment referred to in Paragraph 2 hereof shall, unless made good by the mortgagor prior to the due date of the next monthly payment, constitute an event of default under this mortgage.

4. If the total of the payments made by the mortgagor under (a) of Paragraph 2 preceding shall exceed the amount of payments actually made by the mortgagee for taxes and assessments, or insurance premiums, as the case may be, such excess at the mortgagee's election shall be credited on subsequent payments to be made by the mortgagor for such items. 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 mortgagee acquires the property otherwise after default, the mortgagee may apply, at the time of the commencement of such proceedings or at the time the property is otherwise acquired, the amount then remaining to the credit of mortgagor under (a) of Paragraph 2 preceding, as a credit on the indebtedness secured by this mortgage.

5. This mortgage is a first lien on said premises.

6. Mortgagor will pay promptly and at least thirty (30) days.