

due upon the Premises, all as estimated by the Mortgagee, less all sums already paid therefor, divided by the number of months to elapse before one (1) month prior to the date when each of such items will become payable. Such sums shall be held by the Mortgagee in escrow (but without liability of Mortgagee to pay interest thereon) to pay such insurance premiums, taxes, assessments, and other charges. The failure by the Mortgagor to make any such monthly payment as and when required under this numbered Paragraph shall constitute a default under this Mortgage.

The Mortgagor shall furnish to the Mortgagee, not later than fifteen (15) days after receipt by Mortgagor, an official statement of the amount of all insurance premiums, taxes, assessments, and other charges next payable. The Mortgagee shall pay such items to the extent of the then unused escrowed funds on hand therefor, as and when they become severally due and payable. An official receipt therefor shall be conclusive evidence of such payment and of the validity of such expenses.

If the total of the payments made by the Mortgagor under this numbered Paragraph shall exceed the amount of expenses actually paid by the Mortgagee for the purposes set forth herein, the Mortgagee shall credit such excess on subsequent payment to be made under this numbered Paragraph by the Mortgagor or shall refund such excess to the Mortgagor at the option of the Mortgagee. If, however, the monthly payments to be made under this numbered Paragraph by the Mortgagor shall not be sufficient to pay such items when the same shall become payable, then the Mortgagor shall pay to the Mortgagee any amount necessary to make up the deficiency on or before the date when payment of such insurance premiums, taxes, assessments and other charges shall become payable. If at any time the Mortgagor shall tender to the Mortgagee, in accordance with the provisions of the Mortgage Note secured hereby, full payment of the entire indebtedness

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