

The Mortgagors, in order to more fully protect the security of this mortgage, agree, if requested to do so by the Lender, that in addition to the payments of principal and interest under the terms of the note hereby secured, they will pay to the Lender, on each date on which monthly payments are due under the terms of the aforesaid note, a sum equal to one-twelfth of the known or estimated (by the Lender) yearly taxes, assessments and insurance premiums on or against the mortgaged premises. The Lender shall hold such payments in trust, without obligation to pay interest thereon, and shall apply the same to the payment of taxes, assessments and insurance premiums as and when due. If the total of such monthly payments shall exceed the amount needed, the excess shall be held for such future needs; but, should such monthly payments at any time fail to provide sufficient funds to pay taxes, assessments and insurance premiums when due, then the Mortgagors shall, upon demand, pay to the Lender the amount necessary to cover the deficiency. When the Mortgagors Grantors shall have paid all of the indebtedness secured by this mortgage, the Lender will refund to the Mortgagors any excess funds accumulated hereunder. In the event of default in the payment of any of the indebtedness secured by this mortgage, the Lender may, at any time thereafter, apply any balance then remaining of the funds accumulated for the aforesaid purposes to the payment of such indebtedness.

If the Mortgagors shall fail to pay any premium for any insurance above mentioned or any taxes, assessments, levy or charge, when due, the Lender may, at its option, make such payments and in such case the amounts so paid shall immediately become debts due to the Lender by the Mortgagors, together with a reasonable service charge or interest and shall be secured by this mortgage to the same extent as the note hereinabove described.