

such deposits (herein generally called "Tax and Insurance Deposits") shall be held by the mortgagee without any allowance of interest thereon.

(b) The aggregate of the monthly Tax and Insurance Deposits, together with monthly payments of interest and/or principal and interest payable on the Note, shall be paid in a single payment each month, to be applied to the following items in the order stated:

- (i) Taxes and insurance premiums;
- (ii) Indebtedness other than principal and interest on the Note;
- (iii) accrued interest on the Note;
- (iv) Interest on the Note constituting Deferred Amounts (as defined in the Note);
- (v) Any other interest on the Note;
- (vi) Amortization of the principal balance of the Note.

(c) Mortgagee will, out of the Tax and Insurance Deposits and upon the presentation to mortgagee by mortgagor of the bills therefor, pay the insurance premiums and taxes or will, upon presentation of receipted bills therefor, reimburse mortgagor for such payments made by mortgagor. If the Tax and Insurance Deposits on hand shall not be sufficient to pay all of the taxes and insurance premiums when the same shall become due, then mortgagor shall pay to mortgagee on demand any amount necessary to make up the deficiency. If the total of such Deposits exceeds the amount required to pay the taxes and insurance premiums, such excess shall be credited against subsequent payments to be made for such items.

(d) In the Event of Default, and failure to cure as provided in Section 5 hereunder, mortgagee may, at its option, without being required so to do, apply any Tax and Insurance Deposits on hand to any of the Indebtedness, in such order and manner as mortgagee may elect. When the Indebtedness has been fully paid and the Obligations fully performed, then any remaining Tax and Insurance Deposits shall be paid to mortgagor. All Tax and Insurance Deposits are hereby pledged as additional security for the Indebtedness, and shall be held, but not in trust, to be irrevocably applied for the purposes for which made as herein provided.

(e) Notwithstanding anything herein to the contrary contained, mortgagee shall not be liable for any failure to apply to the payment of taxes and insurance premiums any amounts deposited as Tax and Insurance Deposits unless mortgagor shall have requested mortgagee in writing to make application of such deposits on hand to the payment of the particular taxes or insurance premiums for the payment of which such deposits were made, accompanied by the bill therefor.

(f) Notwithstanding the foregoing provisions of this Section 2(o), provided that mortgagor shall pay any sums required on account of Tax and Insurance within ten (10) days of