

2. TAXES AND INSURANCE ESCROWS. Grantor shall pay, when due and payable, (a) all taxes, assessments, general or special, and other charges levied on, or assessed, placed or made against the Premises, this instrument or the Secured Indebtedness of any interest of the Mortgagee in the Premises or the obligations secured hereby; (b) premiums on policies of fire and other hazard insurance covering the Premises, as required in Article 3 herein; and (c) ground rents or other lease rentals, if any, payable by Mortgagor. Mortgagor shall promptly deliver to Mortgagee receipts showing payment in full of all of the above items. Mortgagor shall pay to Mortgagee, together with and in addition to the payments of principal and interest payable under terms of the Note secured hereby, on the installment-paying dates of the Note, until said Note is fully paid or until notification from Mortgagee to the contrary, an amount reasonably sufficient (as estimated by Mortgagee) to provide Mortgagee with funds to pay said taxes, assessments, insurance premiums, rents and other charges next due so that Mortgagee will have sufficient funds on hand to pay same thirty (30) days before the date on which they become past due. In no event shall Mortgagee be liable for any interest on any amount paid to it as herein required, and the money so received may be held and commingled with its own funds, pending payment or application thereof as herein provided. Mortgagor shall furnish to Mortgagee, at least thirty (30) days before the date on which the same will become past due, an official statement of the amount of said taxes, assessments, insurance premiums and the rents next due, and Mortgagee shall pay said charges to the amount of the then unused credit 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 charges. Mortgagee may, at its option, pay any of these charges when payable, either before or after they become past due, without notice, or make advances therefor in excess of the then amount of credit for said charges. The excess amount advanced shall be immediately due and payable to Mortgagee and shall become part of the Secured Indebtedness and bear interest at the rate of twelve and one-half (12 1/2%) percent per annum from date of advancement. Mortgagee may apply credits held by it for the above charges, or any part

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