FORM FHA-2950

TO HAVE AND TO HOLD

The Mortgagor covenants and agrees as follows:

1. That he will promptly pay the principal of and interest on the indebtedness evidenced by the said note, at the times and in the manner provided therein. Privilege is reserved to pay the debt in whole, or in an amount equal to one or more monthly payments, on the interest payment date that monthly payments are due. If the Mortgagor shall make such prepayment, he shall not be required to make up any shortage in the amount of any monthly payment unless the Mortgagee has notified him that such shortage must be made up as a condition precedent to such prepayment. If the Mortgagor makes a prepayment within thirty (30) days prior to the date on which the next monthly payment is due, he may deduct from such prepayment the interest on the amount prepaid for such thirty (30) days. Prepayments shall be credited on the date of receipt thereof by the Mortgagee, and if such prepayment is made on a day other than the date on which regular monthly payments are due, no interest shall be charged thereon for the period following such date. Upon the assignment of this mortgage, the Mortgagee may require that any prepayments thereafter be made in the manner specified in the assignment. If the Mortgagor tenders a prepayment during the period when he is not privileged to make the same, or fails to make any prepayment when due, the Mortgagee may require that subsequent prepayments be in an amount sufficient to pay the next two installments of principal and interest. Nothing in this paragraph shall affect the obligation of the Mortgagor to make the payments required in paragraph 2 hereof.

2. That, together with, and in addition to, the monthly payments of principal and interest payable under the terms of the said note, he will pay to the Mortgagee on the first day of each month until the said note is fully paid, the following sums:

(a) An amount sufficient to provide the holder hereof with funds to pay the next mortgage insurance premium if this instrument and the said note are insured, or if, pursuant to a contract with the holder hereof, monthly charges are collected by the Mortgagee, in lieu of a mortgage insurance premium, as authorized by the National Housing Act, as amended, and applicable Regulations thereunder, or

(b) If and so long as said note of even date and this instrument are purchased or held by the Secretary of Housing and Urban Development, as follows:

(i) If said note is insured or held by the Secretary of Housing and Urban Development pursuant to the National Housing Act, an amount sufficient (as estimated by the Mortgagee from time to time) to accumulate in the hands of the holder one (1) month prior to the date the annual mortgage insurance premium is due the amount required to pay said premium to the Secretary of Housing and Urban Development pursuant to the National Housing Act, as amended, and applicable Regulations thereunder; or

(ii) If and so long as said note of even date and this instrument are held by the Secretary of Housing and Urban Development, a monthly charge (in lieu of a mortgage insurance premium) as determined by the Secretary of Housing and Urban Development, pursuant to the National Housing Act, as amended, and applicable Regulations thereunder; or

(iii) If and so long as said note of even date and this instrument are purchased and held by the Secretary of Housing and Urban Development, a monthly charge (in lieu of a mortgage insurance premium) equal to one-twelfth (1/12) of one-half (½) per centum of the average outstanding balance due on the note computed without taking into account delinquencies or prepayments.

(b) A sum equal to the ground rents, if any, next due, plus the premiums that will next become due and payable on policies of fire and other hazard insurance covering the mortgaged property, plus taxes and assessments next due on the mortgaged property (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 such ground rents, premiums, taxes and assessments will become delinquent, such sums to be held by Mortgagee in trust to pay said ground rents, premiums, taxes and assessments, and

(c) All payments mentioned in this paragraph 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 in a single payment to be applied by the Mortgagee to the following items in the order set forth:

(I) premium charges under the contract of insurance with the Secretary of Housing and Urban Development, or monthly charge (in lieu of mortgage insurance premium), as the case may be;

(II) ground rents, taxes, special assessments, fire and other hazard insurance premiums;

(III) interest on the note secured hereby; and

(IV) amortization of the principal of said note.

Any deficiency in the amount of any such aggregate monthly payment shall, unless made good by the Mortgagor prior to the due date of the next such payment, constitute an event of default under this mortgage. The Mortgagee may collect a "late charge" not to exceed four cents (4¢) for each dollar ($1) of each payment more than fifteen (15) days in arrears to cover the extra expense involved in handling delinquent payments.

3. If the total of the payments made by the Mortgagor under (b) of paragraph 2 preceding shall exceed the amount of payments actually made by the Mortgagee for ground rents, taxes or assessments or insurance premiums, as the case may be, such excess shall be credited by the Mortgagee on subsequent payments to be made by the Mortgagor. If, however, the monthly payments made by the Mortgagor under (b) of paragraph 2 preceding shall not be sufficient to pay ground rents, taxes and assessments and insurance premiums, as the case may be, when the same become due and 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 ground rents, taxes, assessments, or insurance premiums shall be due. If at any time the Mortgagor shall tender to the Mortgagee, in accordance with the provisions of the note secured hereby, full payment of the entire indebtedness represented thereby, the Mortgagee shall, in computing the amount of such indebtedness, credit to the account of the Mortgagor all payments made under the provisions of (b) of paragraph 2 hereof which the Mortgagee has not applied to the payment of amounts then due and payable hereunder. Upon any such tender, the Mortgagee shall, after crediting as aforesaid, pay to the Mortgagor any balance remaining in the funds accumulated under the provisions of (b) of paragraph 2 hereof. 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