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

(a) [illegible] National Housing Act, as amended, [illegible] Secretary of Housing and Urban Development pursuant to the National Housing Act, as amended, and applicable Regulations thereunder, or

(b) [illegible] sufficient to purchase direct obligations of or obligations the principal of and interest on which are unconditionally guaranteed by the United States of America, which shall not be subject to redemption prior to maturity at the option of the holder, and to accumulate with the Mortgagee the entire sum required to be paid pursuant to subparagraph (a) next above one month prior to the date when such mortgage insurance premium will be due. Said obligations shall mature on a date or dates not later than one month prior to the date when such mortgage insurance premium will be due. Said obligations shall be held by the Mortgagee for the account of the Mortgagor until maturity and shall be delivered to the Mortgagee at such maturity in payment of such mortgage insurance premium.

All payments made under the provisions of subparagraph (a) next above shall be applied by the Secretary of Housing and Urban Development pursuant to the National Housing Act, as amended, and applicable Regulations thereunder, on account of the mortgage insurance premium payable in connection with the mortgage covering the premises described herein.

All payments made under the provisions of subparagraph (b) next above shall be applied by the Mortgagee to the payment of such mortgage insurance premium when the same shall become due and payable.

Any default in the performance of any of the agreements in this paragraph shall constitute a default as to the Mortgagee equally with the default in the performance of any other agreement contained herein.

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

(a) 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 on the mortgaged property, plus taxes and assessments next due on the mortgaged property (all as estimated by the Mortgagee from time to time and of which the Mortgagor is notified in writing by the Mortgagee), less all sums already paid therefor divided by the number of months to elapse before one month prior to the date when such ground rents, premiums, taxes and assessments will become delinquent, such sums to be held by the Mortgagee in trust to pay said ground rents, premiums, taxes and assessments before the same become delinquent. All payments mentioned in this subsection and the 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 pursuant to the National Housing Act, as amended, and applicable Regulations thereunder;

II ground rents, taxes, 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 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 exceeding four cents for each dollar ($1) for each payment more than fifteen days in arrears to cover the extra expense involved in handling delinquent payments.

5. If the total of payments made by the Mortgagor under (a) of paragraph 2 preceding shall exceed the amount of payments actually made by the Mortgagee for taxes or assessments or insurance premiums, as the case may be, such excess, if the loan is current, at the option of the Mortgagor, shall be credited on subsequent payments to be made by the Mortgagor, or refunded to the Mortgagor. If, however, the monthly payments made by the Mortgagor under (b) of paragraph 2 preceding shall not be sufficient to pay taxes and assessments and insurance premiums when the same shall 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 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 (a) of paragraph 2 hereof which the Mortgagee has not become obligated to pay to the Secretary of Housing and Urban Development, and 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 property is otherwise acquired after default, the Mortgagee shall apply, at the time of the commencement of such proceedings, or at the time the property is otherwise acquired, the balance then remaining in the funds accumulated under (b) of paragraph 2 preceding, as a credit against the amount of principal then remaining unpaid under the note secured hereby, and shall properly adjust any payments which shall have been made under (a) of paragraph 2.

6. That he will pay all taxes, assessments, water rates, and other governmental or municipal charges, fines, or impositions, for which provision has not been made hereinbefore, and in default thereof the Mortgagee may pay the same, and that he will promptly deliver the official receipts therefor to the Mortgagee. If the Mortgagor fails to make any payments provided for in this section, or any other payments for taxes, assessments, or the like, the Mortgagee may pay the same, and all sums so paid shall bear interest at the rate set forth in the note secured hereby from the date of such advance and shall be secured by this mortgage.

7. That he will keep the premises in as good order and condition as they are now, and will not commit or permit any waste thereof, reasonable wear and tear excepted.

8. That he will keep the improvements now existing or hereafter erected on the mortgaged property insured as may be required from time to time by the Mortgagee against loss by fire and other hazards, casualties and contingencies in such amounts and for such periods as may be required by the Mortgagee and will pay promptly, when due, any premiums on such insurance provision for payment of which has not been made hereinbefore. All insurance shall be carried in companies approved by the Mortgagee and the policies and renewals thereof shall be held by the Mortgagee and have attached thereto loss payable clauses in favor of and in form acceptable to the Mortgagee. In event of loss Mortgagor will give immediate notice by mail to the Mortgagee, who may make proof of loss if not made promptly by Mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to the Mortgagee instead of to the Mortgagor and Mortgagee jointly, and the insurance proceeds, or any part thereof, may be applied by the Mortgagee at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In event of foreclosure of this mortgage or other transfer of title to the Mortgaged property in extinguishment of the indebtedness secured hereby, all right, title and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee.

9. That he hereby assigns all the rents, issues, and profits of the mortgaged premises from and after any default hereunder, and should legal proceedings be instituted pursuant to this instrument, then the Mortgagee shall have the right to have a receiver appointed of the rents, issues, and profits, who, after deducting all charges and expenses attending such proceedings and the execution of his trust as receiver, shall apply the residue of the rents, issues, and profits, toward the payment of the debt secured hereby.

10. That if the premises, or any part thereof, be condemned under any power of eminent domain, or acquired for a public use, the damages, proceeds, and the consideration for such acquisition, to the extent of the full amount of indebtedness upon this mortgage, and the note secured hereby remaining unpaid, are hereby assigned by the Mortgagor to the Mortgagee and shall be paid forthwith to the Mortgagee to be applied by it on account of the indebtedness secured hereby, whether due or not.

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