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

(a) If and so long as said note of even date herewith shall be held by the Secretary of Housing and Urban Development, a sum equal to one-twelfth of one-half of 1 per centum (.5%) of the original principal indebtedness of said note, or such other amount as may from time to time be fixed by the Secretary of Housing and Urban Development pursuant to the National Housing Act and amendments thereto, and

(b) If and so long as said note of even date and this instrument are held by the Secretary of Housing and Urban Development, 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 month prior to the date when such ground rents, premiums, taxes and assessments will become delinquent, such sum to be held by the Mortgagee in trust to pay said ground rents, premiums, taxes and special assessments, and

All payments mentioned in the foregoing subsections of 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. 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 ($1.00) of each payment more than fifteen (15) days in arrears to cover the extra expense involved in handling delinquent payments.

If at the time of payments made by the Mortgagor under (b) 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 (b) 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.

3. That he will promptly 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 or perform any other covenants and conditions hereof, or if any taxes, assessments, or the like, shall be assessed against the premises covered hereby, the Mortgagee may pay the same, and any amount so paid shall be added to the indebtedness secured hereby and shall be paid by the Mortgagor.

4. That he will keep the improvements now existing or hereafter erected on the mortgaged premises insured as may be required from time to time by the Mortgagee against such hazards, casualties, and contingencies as the Mortgagee may require and will pay promptly, when due, any premiums on such insurance. 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 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 the 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 hereunder and in such order as the Mortgagee may determine, 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 insurance policies then in force shall pass to the purchaser or grantee.

5. That in case the premises covered hereby, or any part thereof, be taken by eminent domain, the Mortgagee shall have the right to receive and apply the proceeds of the award to the payment of the costs and expenses of prosecuting and obtaining such award, the balance, if any, to be applied on the indebtedness secured hereby, whether or not then due, in the order of priority hereinbefore set forth.

6. That if the premises, or any part thereof, be damaged by fire or other casualty, the Mortgagee may, at its option, apply the proceeds of any insurance policy covering such damage to the payment of the full amount of indebtedness secured hereby, whether or not then due, in the order of priority hereinbefore set forth, 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 insurance policies then in force shall pass to the purchaser or grantee.

7. That if the premises covered hereby, 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 the date of such taking, and to the extent of such minimum amount of the indebtedness secured hereby as may be required by the Mortgagee, are hereby assigned and shall be paid to the Mortgagee, which may apply or release such moneys received by it in the same manner and with the same effect as above provided for the disposition of proceeds of fire and other hazard insurance policies, whether or not the mortgage debt is then due.