

2. 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. An amount sufficient to provide the holder of this note with funds to pay the next mortgage insurance premium at the expiration of the term of the policy which are insured on a monthly basis, including a mortgage insurance premium if there are held by the Secretary of Housing and Urban Development, as follows:

I. If and so long as said note is in even date and this instrument are insured or are reinsured under the provisions of the National Housing Act, an amount sufficient to accumulate in the hands of the holder of this instrument to its due date the annual mortgage insurance premium, as set forth in paragraph 1 hereof, with funds to pay such premium to the Secretary of Housing and Urban Development pursuant to the National Housing Act, as amended, and applicable Regulations thereunder;

II. If and so long as said note is in 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 which shall be in an amount equal to one-twelfth (1/12) of one-half (1/2) per centum of the average outstanding balance due on the note computed with or taking into account delinquencies or prepayments;

A sum equal to the ground rents, if any, next due, plus the premiums that will next become due and payable, in 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 the first payment, 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 special assessments, and

All payments contained in the foregoing subdivisions of this paragraph and all payments to be made under the note secured hereby shall be collected 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 a 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 aggregated 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 of one percent (1%) of the principal 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 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 Mortgagee 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 Mortgagee shall pay to the Mortgagor 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 amount 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 of all property and other payments which should have been made under (a) of paragraph 2.

4. 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 hereunder, 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 mortgage, the Mortgagee may pay the same, and the Mortgagee shall be authorized and directed to use the funds secured hereby to pay the same, and the Mortgagee shall be authorized and directed to use the funds secured hereby to pay the same, and the Mortgagee shall be authorized and directed to use the funds secured hereby to pay the same.

5. That he will keep the premises in good repair and condition, as they are now, and will not commit or permit any waste thereof, or any part thereof, to be committed.

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7. That he will be responsible for the taxes, assessments, and other charges on the mortgaged premises from and after the date hereof, 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 mortgage, the Mortgagee may pay the same, and the Mortgagee shall be authorized and directed to use the funds secured hereby to pay the same, and the Mortgagee shall be authorized and directed to use the funds secured hereby to pay the same.

8. That if the premises, or any part thereof, are condemned under any power of eminent domain, or are taken for a public use, the proceeds, principal, and the value of the same, to the extent of the full amount of indebtedness upon this mortgage, and the note secured hereby, for any amount so hereinafter advanced by the Mortgagee to the Mortgagor, and shall be paid forthwith to the Mortgagee to be applied by it to the amount of the indebtedness secured hereby, whether due or not.

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