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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 hereof with funds to pay the monthly mortgage insurance premium on this instrument and the note secured hereby are insured, or a monthly charge in lieu of a mortgage insurance premium, if they are held by the Secretary of Housing and Urban Development, as follows:
  - (i) If and so long as said note of even date and this instrument are insured for all risks under the provisions of the National Housing Act, an amount sufficient to accumulate in the hands of the holder hereof prior to its due date the annual mortgage insurance premium on the mortgage secured hereby with funds to pay the premium to the Secretary of Housing and Urban Development pursuant to the National Housing Act and any applicable Regulations thereunder;
  - (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 which shall be 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 without taking into account delinquencies of payments;
- (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 insurances covering the mortgaged property, plus taxes and assessments next due on the mortgaged property, as estimated by the Mortgagee, less all sums already paid thereof, divided by the number of months to elapse before the 1st day 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 special assessments; and
- (C) All payments mentioned in the two preceding 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 Mortgagee each month as 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 insurances with the Secretary of Housing and Urban Development, or a monthly charge in lieu of a 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) An amount of the principal of said note.

Any delinquency in the amount of any such aggregate monthly payment shall, unless made good by the Mortgagee 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 payments made by the Mortgagee 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 Mortgagee, or refunded to the Mortgagee. If, however, the monthly payments made by the Mortgagee 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 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 Mortgagee 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 Mortgagee 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 (a) of paragraph 2 preceding, as a credit against the amount of principal then remaining unpaid under the note secured hereby, and shall properly adjust the payments which shall have been made under (a) of paragraph 2.

4. That he will pay all taxes, assess, rents, water rates, and other governmental or municipal charges, fines, or impositions, for which responsibility has not been made, hereunder, and shall, if and so long as the Mortgagee may pay the same, and that he will promptly deliver to the Mortgagee all receipts therefor to the Mortgagee. If the Mortgagee fails to make any payments provided for in this mortgage, or to pay any taxes, assessments, or the like, the Mortgagee may pay the same and shall be subrogated to the rights of the holder of the note secured hereby from the date of such payment, and shall be entitled to the same.

5. That he will keep the premises in a good and safe condition, and shall not allow to accumulate thereon any waste that is not suitable for the use intended.

6. That he will keep the improvements on the property in good repair, and shall, if and so long as the Mortgagee may pay the same, and that he will promptly deliver to the Mortgagee all receipts therefor to the Mortgagee. If the Mortgagee fails to make any payments provided for in this mortgage, or to pay any taxes, assessments, or the like, the Mortgagee may pay the same and shall be subrogated to the rights of the holder of the note secured hereby from the date of such payment, and shall be entitled to the same.

7. That he hereby waives all the rights, claims, and interests of the Mortgagee in the property, and that he shall hereafter and should hereafter, in the event of any foreclosure proceedings, the Mortgagee shall have the right to have a receiver appointed of the rents, issues, and profits, and of the delinquencies, penalties, and expenses attending such proceedings, and the execution of his trust as aforesaid shall not be affected by the rents, issues, and profits, and the proceeds of the same.

8. That if the premises, or any part thereof, be condemned under any law or statute, or be taken for a public use, the damages, proceeds, and the consideration thereof, in satisfaction of the entire amount of indebtedness upon this mortgage, and the note secured hereby, shall be paid to the Mortgagee by the Mortgagee and shall be paid forthwith to the Mortgagee to be applied by it in satisfaction of the indebtedness secured hereby, whether due or not.

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