

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:

- (I) An amount sufficient to provide the full force and effect of all taxes and insurance premiums on this instrument and the premises secured hereby, as well as monthly charges in lieu of mortgage insurance premiums, if they are held by the Secretary of Housing and Urban Development, as follows:
 - (a) If and so long as said note or even date and this instrument are insured or are to be insured under the provisions of the National Housing Act, an amount sufficient to accumulate in the hands of the holder one dollar per month prior to its due date the annual mortgage insurance premium in order to provide such holder with funds to pay such premium to the Secretary of Housing and Urban Development pursuant to the National Housing Act, or to such Federal applicable Regulations thereunder;
 - (b) If and so long as said note or 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 with adjusting into account delinquencies or prepayments;
 - (c) 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 lapse before the 1st 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 special assessments; and
- (II) 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 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 charges 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) an abatement of the principal of said note.

Any deficiency in the amount of any such applicable 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 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 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 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 (a) of paragraph 2 preceding, as a credit against the amount of principal then remaining unpaid under the note secured hereby, and if all properly due payments, which if all had 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 instrument or any other payments for taxes, assessments, or the like, the Mortgagee may pay the same, and he may suspend all interest on the note secured hereby until the date of such payments, and shall be entitled to the mortgage.

5. That he will keep the premises in good and safe condition, and will not commit or permit any waste thereof, or any other act which would injure the same.

6. That he will cause the appropriate title insurance policy to be obtained on the mortgaged property insured as may be required from time to time by the Mortgagee, and shall cause to be obtained other records, specialties and certificates, in such amounts and for such periods as may be required by the Mortgagee, and will pay promptly, when due, any premium on such insurance, or on the payment of which his obligation is deemed to be. All insurance shall be carried on companies approved by the Mortgagee, and the policies and renewals thereof shall be held by the Mortgagee, and he shall keep them in a safe place of his own and in a form acceptable to the Mortgagee. In event of loss, Mortgagee will give immediate notice by mail to the Mortgagee, who may make proof of loss, if not made promptly by Mortgagee, and such insurance company concerned is hereby authorized and directed to make payment for such loss directly to the Mortgagee, or to the Mortgagee and Mortgagee jointly, and the insurance proceeds, or any part thereof, may be applied by the Mortgagee at his option, first to the reduction of the indebtedness hereon, and then to the satisfaction of the mortgage, and the balance of the proceeds of this mortgage, or their interest, shall be paid to the Mortgagor, or to the purchaser of the premises secured hereby, and all right, title, and interest of the Mortgagor in and to the same, or any part thereof, shall pass to the purchaser at public sale.

7. That he hereby assigns all the rents, issues, and profits of the premises hereon, and after any default hereunder, and shall deliver to the Mortgagee, or to the trustee named in the mortgage, or to the Mortgagee, all have the right to have a receiver appointed of the rents, issues, and profits, and 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.

8. That if the premises, or any part thereof, be condemned under any power of eminent domain, or acquired for 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 in satisfaction of the indebtedness secured hereby, whether due or not.

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