

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

- (A) An amount sufficient to provide the holder hereof with funds to pay the cost of the title insurance policy, the cost and the premium on a hazard insurance policy covering the mortgaged property, and the cost of the title insurance policy held by the Secretary of Housing and Urban Development.
- (B) If and so long as said title, hazard and title insurance policies are in effect, an amount sufficient to pay the National Housing Act, an amount sufficient to pay, in advance, the cost of the title insurance policy, and to prepay, in full, the annual mortgage insurance premium, in order to provide for the full payment of the mortgage to the Secretary of Housing and Urban Development pursuant to the National Housing Act, and such other obligations as the Regulations thereto may require.
- (C) If and so long as said title, hazard and title insurance policies are held by the Secretary of Housing and Urban Development, a monthly charge on behalf of a mortgage insurance premium which shall be an amount not in excess of one-twelfth of 1% of one-half of 1% per centum of the average outstanding balance of the mortgage reported without taking into account delinquencies or prepayments.
- (D) A sum equal to the ground rents, if any, next due plus the premiums that will next become due and payable for policies of fire and theft 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) to be held by the Mortgagee until the date of the next month prior to the date when such ground rents, premiums, taxes, and assessments will be next due; and such sums to be held by Mortgagee in trust to pay said ground rents, premiums, taxes, and special assessments, and
- (E) 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, a monthly charge on behalf of mortgage insurance premium as then determined;
 - (ii) taxes, special assessments, fire and theft hazard insurance premiums;
 - (iii) interest on the note secured hereby; and
 - (iv) an abatement of the principal of said note.

Any delinquency in the amount of any such payments or monthly payments 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, at its option, "charge back" to the mortgagor the cost of such delinquency in the amount of \$10.00 per month or more than fifteen (15) days in arrears, and the cost of expenses incurred in connection with such delinquency.

5. If the total of payments made by the Mortgagor under (c) 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 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 (c) 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 (c) 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.

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 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.

6. 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.

6. 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 herebefore. 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 trust of and in favor 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 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 or extinguishment of the indebtedness secured hereby, all rights, title and interest of the Mortgagee in and to any insurance policies then in force shall pass to the purchaser or grantee.

7. 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.

8. That if the premises, or any part thereof, be condemned under any power of eminent domain, or required 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 to which said amount are hereby assigned by the Mortgagee to the Mortgagee and shall be paid together with to the Mortgagee to be applied as if it were part of the indebtedness secured hereby, whether due or not.

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