

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 next mortgage insurance premium, if 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 or are reinsured under the provisions of the National Housing Act, an amount sufficient to accumulate in the hands of the holder one 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, as amended, and applicable Regulations thereunder, or
  - (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 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 without taking into account delinquencies or prepayments.
- (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 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 due to the holder for the number of months to elapse before the first day of the month in which 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 subdivisions 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 delinquency in the amount of any such 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 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 retained 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 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 (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.

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 likewise may add to the interest on the note set forth in the note secured hereby from the date of such default and shall be secured by this mortgage.

5. That he will keep the premises in as good order and condition as they are now and will not commit or permit any waste therefor, nor allow any to be committed.

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 policies for payment of which has not been made herebefore. All insurance shall be carried on a company approved by the Mortgagee, and the policies and renewals thereof shall be held by the Mortgagee and have attached thereto all insurable interests in force at and in form acceptable to the Mortgagee. In event of loss Mortgagee will give prompt notice by mail to the Mortgagee, who may make proof of loss if not made promptly by Mortgagee, and such insurance amounts, as deemed as 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 herein secured, or to the restoration or repair of the property damaged. In event of enclosure of this mortgage or other transfer of title to the Mortgagor or payment in satisfaction of the indebtedness secured thereby, all right, title and interest of the Mortgagee in and to any insurance policies then in force shall pass to the purchaser or transferee.

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 to and for the payment of the debt secured hereby.

8. That if the premises, or any part thereof, be condemned or be used for a public use, or be required for a public use, the Mortgagee, proceeds, and the consideration therefor, up to the extent of the full amount of indebtedness upon this mortgage, and the note secured hereby, shall be paid to the Mortgagee, who shall assign to the Mortgagee, and the Mortgagee shall assign to the Mortgagee, the proceeds of any such condemnation or public use, whether or not such

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