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 mortgage and the note secured hereby are insured or a monthly charge in lieu thereof if this mortgage is held by the Secretary of Housing and Urban Development pursuant hereto.

(b) If and so long as said note of even date and this mortgage are insured or reinsured under the provisions of the National Housing Act, an amount sufficient to accumulate in the hands of the holder one month prior to the date when the annual mortgage insurance premium is due the amount of such premium, or if this mortgage is held by the Secretary of Housing and Urban Development pursuant to the National Housing Act and a valid and applicable Regulation as thereunder, or

(c) If and so long as said note of even date and this mortgage 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 (1/2%) of the average outstanding balance due on the note covered hereby from time to time, and all 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 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 from time to time in such manner as shall insure that the amounts of such charges will be sufficient to pay the charges when due), plus one-twelfth (1/12) of such other amounts to be paid by Mortgagor pursuant to covenant 4 hereof as shall be sufficient to make the annual payments for such items when due, all as estimated by Mortgagee in its sole discretion;

(e) All payments, rents, and other charges required to be paid under the note secured hereby, shall be added together with the payments hereinabove provided for, and all payments so added together 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 thereof, if this mortgage is held by the Secretary;

(II) taxes, special assessments, fire and other hazard insurance premiums;

(III) interest on the note secured hereby;

(IV) amortization of the principal of said note.

Any deficiency in the amount of such aggregate monthly payment shall constitute a debt secured by the Mortgage and be added to the next monthly payment due under the note secured hereby. The Mortgagee may collect a "late charge" not to exceed four cents (4¢) for each dollar ($1.00) 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 (d) 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 Mortgagor, will 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 (d) 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 (d) 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 (d) 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 a 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 (d) of paragraph 2 preceding, as a credit against the amount of principal then remaining unpaid on the note secured hereby, and shall properly adjust any payments which shall have been made under (d) 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 hereinbefore, or 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, other than 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.

5. 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 for the payment of which provision has not been made hereinbefore. 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 favor of and in form acceptable to the Mortgagee. In event of loss Mortgagor will give immediate notice by mail to the Mortgagee, who may make proof of loss if not made promptly by Mortgagor, 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 in extinguishment of the indebtedness secured hereby, all right, title and interest of the Mortgagor 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, and after deducting all charges and expenses attending such proceedings and the execution of his trust as receiver, shall apply the balance of the rents, issues and profits received by him in payment thereof in the manner prescribed herein.

8. That if the premises, or any part thereof, be taken under the power of eminent domain or condemnation, or sold under threat of exercise of such power, the damages, proceeds, and the consideration for such acquisition, to the extent of the full indebtedness upon this mortgage and the note secured hereby remaining unpaid at the time of such taking, are hereby assigned to the Mortgagee, and will be paid forthwith to the Mortgagee to be applied in payment of the indebtedness secured hereby. [illegible]