2. That together with [illegible] terms of the note [illegible] is fully paid, the following sums:

An [illegible]

[illegible] pursuant to the Servicemen's Readjustment Act of 1944, as amended, or any successor act, and regulations issued thereunder and in effect at the date hereof;

(1) If and so long as said note of even date and this mortgage are insured or held by the Secretary of Housing and Urban Development pursuant to the National Housing Act, as amended, or any successor act, 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 elapse before one month prior to the date when such ground rents, premiums, taxes and assessments will become delinquent, such sums to be held by the Mortgagee in trust to pay such ground rents, premiums, taxes and assessments before the same become delinquent; and

(2) If and so long as said note of even date and this mortgage are not insured or held by the Secretary of Housing and Urban Development pursuant to the National Housing Act, as amended, or any successor act, a sum sufficient to maintain an additional balance in said account equal to one-sixth of the amount of the last annual mortgage insurance premium, if insured, or one-sixth of the annual mortgage insurance premium that would be required if the mortgage were insured, as estimated by the Mortgagee, such additional balance to be held by the Mortgagee as part of the aforesaid account and to be used by the Mortgagee in the payment of mortgage insurance premiums when due;

All payments mentioned in this paragraph 2 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. [illegible]

III. [illegible]

And [illegible] the Mortgagee. The Mortgagee may collect a [illegible] in arrears [illegible]

3. If the total of the payments made by the Mortgagor under [illegible] paragraph 2 preceding shall exceed the amount of payments actually made by the Mortgagee for ground rents, taxes, assessments, or insurance premiums, as the case may be, such excess, at the option of the Mortgagor, 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 [illegible] paragraph 2 preceding shall not be sufficient to pay taxes and assessments and insurance premiums when the same become due and payable, then the Mortgagor shall pay to the Mortgagee any amount necessary to make up the deficiency [illegible] one month prior to 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 [illegible] paragraph 2 hereof which the Mortgagee has not become obligated to pay to the Secretary of Housing and Urban Development, and the balance remaining in the funds accumulated under the provisions of [illegible] paragraph 2 hereof. If there shall exist 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 remaining in the funds accumulated under the provisions 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 subparagraph 2 hereof.

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, 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 or to do any act as herein provided, then the Mortgagee may, but need not, make such payments or do such acts, and may enter upon said premises for any of such purposes; may commence, appear in and defend any action or proceeding purporting to affect the security hereof or the rights or powers of the Mortgagee; and may pay, purchase, contest or compromise any encumbrance, charge or lien which in the judgment of the Mortgagee appears to be prior or superior hereto; and all payments for taxes, assessments, or the like, the Mortgagee may pay the same without inquiry as to the validity or accuracy of such items. All moneys paid for any of the purposes herein authorized and all expenses paid or incurred in connection therewith, including attorneys' fees, and any other moneys advanced by the Mortgagee to protect the mortgaged property and the lien hereof, shall be so much additional indebtedness secured hereby, and may be allowed and included as a part of the indebtedness in any decree foreclosing this mortgage, or for the enforcement hereof, and shall bear interest at the rate set forth in the note secured hereby from the date of such advances and shall be payable on demand.

5. That he will keep the premises in good repair and condition as they are now and will not commit or permit any waste thereof. [illegible]

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 therefor. [illegible] 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 prompt notice thereof 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 all insurance policies then in force shall pass to the purchaser or grantee.

7. That he hereby assigns to the Mortgagee the rents of the mortgaged property and hereby gives to and confers upon the Mortgagee the right, power and authority during the continuance of these presents, to collect the rents, issues and profits of said property, [illegible] default hereunder, and without taking possession of the property, [illegible] the mortgaged premises from and after any default hereunder, and at [illegible] any action or proceeding is instituted, then the Mortgagee shall have the right to [illegible] forthwith upon the appointment of a receiver, to enter upon and take possession of the premises and of all books, records and accounts relating thereto, and to exercise without interference from the Mortgagor any and all rights which the Mortgagor has with respect to the management, possession, operation, protection or preservation of the mortgaged premises, including the right to rent the same for such period of time and upon such conditions as the Mortgagee may deem fit, and to cancel any lease or sublease for any cause or on any ground which would entitle the Mortgagor to cancel the same, and to elect to disaffirm any lease or sublease made subsequent to this mortgage or subordinate to the lien hereof. All rents collected subsequent to default hereunder shall be applied first to the payment of taxes, special assessments, water rates and insurance premiums; second to the reasonable costs of operation and management, including attorneys' fees; third to interest due upon the indebtedness secured hereby; fourth to amortization of the principal of said indebtedness; and fifth to any deficiency upon a receivership, during any redemption period, or during any extension of the time of foreclosure, or in case a deficiency shall arise after a sale of the mortgaged premises and during the full statutory period of redemption, whether there be redemption or not, as well as during any further times when the Mortgagor, except for the intervention of such receiver, would be entitled to collect such rents, issues and profits, and all other powers which may be necessary or are usual in such cases for the protection, possession, control, management and operation of the premises during the whole of said period. The Mortgagee shall not be liable to account for any rents, issues and profits whatsoever except those actually received, nor shall the Mortgagee be liable to the Mortgagor, anyone claiming under or through the Mortgagor or anyone having an interest in the mortgaged premises by reason of anything done or left undone by the Mortgagee hereunder.

8. That if the premises or any part thereof be taken or damaged by reason of any public or quasi-public use under any power of eminent domain, or acquired 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 remaining unpaid, are hereby assigned by the Mortgagor to the Mortgagee and shall be paid forthwith to the Mortgagee to be applied by it on account of the indebtedness secured hereby, whether due or not.

4328 RV-2