

To HAVE AND TO HOLD, all and singular the premises unto the Mortgagee, his heirs and assigns forever.

The Mortgagor covenants that he is, and shall be, a person of legal age, sane mind, and absolute, that he has good right and legal title to the premises hereinafter described, and that the premises are free and clear of all liens, mortgages, taxes, assessments, and other charges, and that he will warrant and forever defend all and singular the premises hereinafter described from and against the Mortgagor and all persons who may claim an interest therein.

The Mortgagor covenants and agrees to do the following things:

1. That he will promptly pay the principal and interest on the indebtedness evidenced by the said note, at the times and in the manner herein provided, or in an amount equal to one or more of the payments due on the note, on the first day of any month prior to the date when such payment is due, and provided, further, that in the event the debt is paid in full prior to the date when it is insured under the provisions of the National Housing Act, as amended, the Mortgagee shall pay an insurance premium charge of one per centum (1%) of the original principal amount of the note, and that in no event shall the adjusted premium exceed the aggregate amount of premium charges which would have been payable if the mortgage had continued to be insured until maturity; such amount to be applied by the Mortgagee upon its contribution to the Federal Housing Commissioner's fund of mortgage insurance.

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:

- (a) If this mortgage and the note secured hereby are insured under the provisions of the National Housing Act and so long as they continue to be so insured, one-twelfth (1/12) of the annual mortgage insurance premium for the purpose of putting the Mortgagee in funds with which to discharge its obligation to the Federal Housing Commissioner for mortgage insurance premiums pursuant to the provisions of Title VI of the National Housing Act, as amended, and Regulations thereunder. The Mortgagee shall, on the termination of its obligation to pay mortgage insurance premiums, credit to the account of the Mortgagor all payments made under the provisions of this subsection while the Mortgagee has not become obligated to pay to the Federal Housing Commissioner.
- (b) A sum equal to the ground rents, if any, next due, plus the provisions 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 paid by Mortgagee in trust to pay said ground rents, premiums, taxes and special assessments.
- (c) 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 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 Federal Housing Commissioner;
 - (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 deficiency in the amount of such aggregate monthly 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 two cents (2¢) 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 the 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 shall be credited by the Mortgagee on subsequent payments to be made by 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 Federal Housing Commissioner, 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 (c) 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, 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

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