

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 at the expiration of the note secured hereby, and to pay monthly charges, including the 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 is in default, and this instrument is held by the Secretary of Housing and Urban Development, the National Housing Act, or any act sufficient to substitute in the hands of the holder hereof the mortgagee to its due date the actual 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, or applicable Regulations thereunder;

II) If and so long as said note is in default, and this instrument is held by the Secretary of Housing and Urban Development, a monthly charge, in lieu of a mortgage insurance premium, which shall be an amount equal to one-half of 1% of the amount of the mortgage, of the first day of the month in which the mortgagee is required to take any action to foreclose or repossess the property;

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 divided by the number of months to elapse before the first day prior to the date when 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 All payments made for the foregoing purposes under this paragraph and all payments made under the provisions of the note secured hereby shall be added together and the aggregate amount there of 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, or monthly charges 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) an amount of the principal of said note.

Any deficiency in the amount of any such aggregate 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 collect a "late charge" not to exceed 5% per cent 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 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 Mortgagee shall pay to the Mortgagor 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 herebefore, 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 instrument, or any other payments for taxes, assessments, or the like, the Mortgagee may pay the same out of the funds accumulated in trust under the note secured hereby from the date of such default, and shall be reimbursed by the Mortgagor.

5. That he will keep the premises in as good repair as they are now, and will not commit or permit any one to commit thereon any material waste and that he accepted.

6. That he will keep the improvements now existing, and any other 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, and that he will provide as may be required by the Mortgagee and will pay promptly when due, any premiums on such insurance, the payment of which has not been made herebefore. All insurance shall be carried on companies approved by the Mortgagee, and the policies and proceeds thereof shall be held by the Mortgagee and have attached thereto a loss payable clause in favor of and in favor acceptable to the Mortgagee. In event of loss, Mortgagee will give immediate notice by mail to the Mortgagor, who may make proof of loss if not made promptly by Mortgagee, and such insurance company concerned is hereby authorized and directed to make payment to such loss directly to the Mortgagee, instead of to the Mortgagor and Mortgagee jointly, and the Mortgagee shall have the right to apply to the Mortgagee for the amount of such insurance proceeds, and the amount of the indebtedness hereby secured, at the discretion of the Mortgagee. In event of fire or loss of this mortgage, or other transfer of title to the mortgaged property, in satisfaction of the indebtedness secured hereby, all right, title and interest of the Mortgagor in and to the improvements, 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, to the Mortgagee, and that he will pay to the Mortgagee, from time to time, the Mortgagee shall have the right to have a receiver appointed at the rents, issues, and profits, when 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 law or enactment for a public use, or required for a public use, the damages, proceeds, and the consideration of such condemnation, 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, in satisfaction of the indebtedness secured hereby, whether due or not.

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