

at that time it is required under the provisions of the National Housing Act to be applied to the Mortgagee's insurance premium charges. If, however, within 12 months of the date of the principal and interest payments, the adjusted premium exceeds the aggregate amount of premium charges which would have been payable if the mortgage had continued to be insured until maturity, such payment to be applied by the Mortgagee to the Secretary of Housing and Urban Development in accordance with the provisions of the National Housing Act.

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 taxes, assessments, premiums, if this instrument and the note secured hereby are insured, and monthly charges in lieu of mortgage insurance premiums, if the note is held by the Secretary of Housing and Urban Development, as follows:
 - (i) If and so long as said note, if even date and this instrument are insured or are insured under the provisions of the National Housing Act, an amount sufficient to pay in full the taxes, assessments, premiums, if any, and interest due late 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, if even date and this instrument are held by the Secretary of Housing and Urban Development, an amount sufficient to pay in full the taxes, assessments, premiums, if any, and interest due late 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
- (b) A sum equal to the principal and interest, 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, as estimated by the Mortgagee, less all sums already paid thereon, divided by the number of months to elapse before the 1st month prior to the date when such principal, interest, premiums, taxes, and assessments will become delinquent, such sums to be held by the Mortgagee in trust to pay said principal and interest, 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 a first lien upon and the aggregate amount thereof shall be paid by the Mortgagee each month in a single payment to be collected by the Mortgagee in 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 premiums, 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 amortization 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 payment, constitute an event of default under this mortgage. The Mortgagee may collect a late charge of \$1.00 for each month's default, and \$1.00 for each payment in arrears, in addition to the late charge provided in the preceding paragraph.

3. If the total of the payments made by the Mortgagee 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, at the option of the Mortgagee, shall be credited on subsequent payments to be made by the Mortgagee, or refunded to the Mortgagee. If, however, the monthly payments made by the Mortgagee 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 Mortgagee 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 Mortgagee all payments made under the provisions of (b) 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 secured 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 (b) 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 heretofore, 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 all such payments 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 premises in as good order and condition as they are now, and will not commit or permit any waste thereon, except as shall be hereinafter provided.

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, or amount for payment of which has not been made heretofore. 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, Mortgagee will give immediate notice by mail to the Mortgagee, who may make proof of loss if not made promptly by Mortgagee, 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 hereon secured, or to the purchase 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 assignee.

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, toward the payment of the debt secured hereby.

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