

Together with all and singular the rights, franchises, appurtenances, and any way incident or appertaining, and all other things, rights, and interests, and including all heating, plumbing, and lighting fixtures, and all other things in connection with the real estate herein described.

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

The Mortgagor covenants that he is lawfully seized of the premises herein described, that he has good right and lawful authority to sell, lease, and convey the same, and that the premises are free and clear of all liens and encumbrances, and that he, his heirs and assigns, shall ever defend all and singular the premises unto the Mortgagee, his heirs and assigns, and his sons whomsoever lawfully claiming the same in any way.

The Mortgagor covenants and agrees as follows:

1. That he will promptly pay the principal of and interest on the indebtedness secured hereby, at the times and in the manner therein provided. Payment is required to be made by the Mortgagor in one or more monthly payments on the principal that are equal, and to be made on or before the first day of each month to maturity; provided, however, that written notice of an intention to accelerate the indebtedness shall be given (30) days prior to prepayment; and, provided, further, that in the event the indebtedness is accelerated at that time it is insured under the provisions of the National Housing Act, the Mortgagor shall pay an insurance premium charge of one per centum (1%) of the original principal amount of the indebtedness, and if the adjusted premium exceed the aggregate amount of previous charges which would have been payable if the mortgage has continued to be insured until maturity, such payment shall be made to the Secretary of Housing and Urban Development on account of mortgage insurance.

2. That, together with, and in addition to, the monthly payments of principal and interest provided for in the terms of the note secured hereby, he will pay to the Mortgagee, on the first day of each month, after the principal is fully paid, the following sums:

- (a) An amount sufficient to provide the holder hereof with funds to pay the annual mortgage insurance premium, and the note secured hereby are insured or a monthly charge in lieu of mortgage insurance premium, as provided for in the Regulations issued by the Secretary of Housing and Urban Development, as follows:
 - (I) If and so long as said note of even date and this instrument are insured or a monthly charge in lieu of mortgage insurance premium, as provided for in the National Housing Act, an amount sufficient to accumulate in the hands of the Secretary of Housing and Urban Development the annual mortgage insurance premium, in order to provide such holder with funds in the event of default 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 of even date and this instrument are 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-twelfth (1/12) of one-half (1/2) per centum of the average outstanding balance due on the note, including interest, taxes, delinquencies or prepayments;
- (b) A sum equal to the ground rents, if any, next due, plus the premium due and payable on policies of fire and other hazard insurance covering the mortgaged property, plus taxes and assessments on the mortgaged property (all as estimated by the Mortgagee) less all sums already paid (except those divided by the mortgagee or made by others before one (1) month prior to the date when such ground rents, premiums, taxes and assessments will become due) and such sums to be held by Mortgagee in trust to pay said ground rents, premiums, taxes and assessments, and
- (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 Secretary of Housing and Urban Development, or monthly charge (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) amortization of the principal of said note.

Any deficiency in the amount of any 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 make a "late charge" not to exceed two cents (2c) 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 Secretary of Housing and Urban Development, and any balance remaining in the funds accumulated 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