

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 equal to the monthly premium for the fire and theft insurance to be paid by the mortgagor on the premises insured under the note secured hereby, and the monthly mortgage insurance premium to be paid by the mortgagor on the note secured hereby, as follows:

I. If said note, as said note, is held by the Secretary of Housing and Urban Development, as follows:

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II. If said note, as said note, is held by the Secretary of Housing and Urban Development, as follows:

A sum equal to the principal of any note due plus the premiums that will be due and payable on policies of fire and theft 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 between the first day of the month when such payments, premiums, taxes, and assessments will become delinquent, and the date when such payments, premiums, taxes, and assessments, and all payments made under the note secured hereby, shall be added together and the aggregate amount thereof 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, as the case may be;
- II. taxes, special assessments, and other hazard insurance premiums;
- III. interest on the note secured hereby; and
- IV. an abatement of the principal of said note.

Any deficiency in the amount of any such abatement monthly payment 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 of one percent (1%) of the amount of each payment more than fifteen (15) days in arrears to cover the carrying charges on late or delinquent payments.

3. If the total of payments made by the Mortgagee under (c) 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 same is current, at the option of the Mortgagee, shall be credited on subsequent payments to be made by the Mortgagor, 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 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 Mortgagee shall tender to the Mortgagor, 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 amount of the Mortgagee 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 penalties, for which the mortgagor is liable, or which may be made against the mortgagor 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 the note secured hereby, or to pay taxes, assessments, or the like, the Mortgagee may pay the same and 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 repair and condition as they are now, and will not commit or permit any waste thereon, nor shall he lease and lease accepted.

6. That he will keep the improvements now existing on the premises 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 payment of which has not been made heretofore. All insurance shall be carried on companies approved by the Mortgagee, and the policies and renewals thereof shall be held by the Mortgagee, and have attached thereto, as payable claims, 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 such insurance company, named as hereby authorized and directed to make payment for such loss, shall pay 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, or extinguishment of the indebtedness secured hereby, all rights, title, and interest of the Mortgagor in and to any insurance 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, 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.

8. That if the premises, or any part thereof, be condemned 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.

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