

2. That the holder shall, and is obligated 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 full amount of:

A. An amount sufficient to pay the holder's tax with interest on the same, including a non-refundable premium of this amount, on all the taxes secured hereby, and on all other charges, including the charge for the insurance policy if the same shall be the Secretary of Housing and Urban Development, as follows:

I. If the same is as certain to occur date, and this instrument are held or are to be held under the provisions of the National Housing Act, and sufficient to accumulate in the hands of the holder, on the date, prior to its due date, the annual amount of such insurance premium, or other charge, 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;

II. If not so certain to occur 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 in an amount equal to one-tenth of 1 percent of the outstanding balance due on the note, to be computed with respect to taking into account delinquencies, if any, of payments;

B. An amount to the principal of any tax due, plus the premiums that will next become due and payable, in 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 thereof, divided by the number of months to elapse before the date of the next payment of principal, taxes, and assessments, will become delinquent, such sums to be held by Mortgagee in trust to pay such taxes, premiums, taxes, and special assessments; and All payments mentioned in the foregoing sub-sections 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. Premiums, charges under the contract of insurance with the Secretary of Housing and Urban Development, in monthly payments, in lieu of mortgage insurance premium, as the case may be;

II. Taxes, special assessments, title 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 collect a "late charge" not to exceed four cents (4¢) for each dollar \$1.00 of each payment more than fifteen (15) days in arrears to cover the extra expense incurred 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 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 amount of the Mortgagee all payments made under the provisions of (b) of paragraph 2 hereof which the Mortgagor 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 proportionately adjust the payments which shall be then made under (a) of paragraph 2.

4. That he will pay all taxes, assessments, and charges, and other governmental or municipal charges, fines, and penalties, in which the premises or the property thereon are involved, and in default thereof the Mortgagee may pay the same, and that he will indemnify and hold the Mortgagee harmless from all claims, demands, suits, damages, costs, and expenses, including reasonable attorney's fees, which may be asserted against the Mortgagee, or the like, the Mortgagee may pay the same, and the Mortgagee shall be entitled to be set forth in the note secured hereby from the date of the completion of the 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, and will insure the premises as follows:

6. That he will keep the premises insured by a fire and theft policy or policies issued on the mortgaged property insured as provided in paragraph 2 hereof, the Mortgagee, or its agent, fire hazards, casualties and contingencies, and shall maintain such policies as may be required by the Mortgagee, and will pay promptly, when due, any premium or other charges, and the amount of any payment, if which has not been made heretofore. All insurance shall be written in a policy approved by the Mortgagee, and the policies and renewals thereof shall be held by the Mortgagee, and be attached thereto, as a condition precedent to any payment, and in form acceptable to the Mortgagee. In event of loss, the Mortgagee will give immediate notice by mail to the Mortgagee, who may make good of loss, or the Mortgagee, or its agent, or the Mortgagee, or its agent, may cause to be made, with need and directed to the Mortgagee, or its agent, that the Mortgagee, or its agent, to the Mortgagee, and Mortgagee jointly, and the insurance proceeds, or any part thereof, may be applied by the Mortgagee, or its agent, either to the reduction of the indebtedness secured hereby, or to the restoration or repair of the property damaged. In event of a foreclosure of this mortgage, or other transfer of title to the mortgaged property, in satisfaction of the indebtedness secured hereby, all rights, title, and interest of the Mortgagee, and the fire and theft insurance policies then in force shall pass to the purchaser of the premises.

7. That he hereby assigns, in the premises, and profits of the same, the premises, then and after any default hereunder, and all the 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, to 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 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 hereunder, assigned by the Mortgagor to the Mortgagee, and shall be paid directly to the Mortgagee to be applied by it, in or out of the indebtedness secured hereby, whether due or not.