

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 interest on the first mortgage insurance premium if this instrument and the note secured hereby are insured, or a monthly charge in lieu of a mortgage insurance premium if they are not held by the Secretary of Housing and Urban Development, as follows:

I. If and so long as said note is even date and this instrument are held by the holder hereof for the purposes of the National Housing Act, an amount sufficient to accumulate in the hands of the holder hereof monthly payments for the full amount of the mortgage insurance premium on the first mortgage, such holder with the following exceptions to the Secretary of Housing and Urban Development pursuant to the National Housing Act, as amended, and applicable Regulations thereunder, to:

II. If and so long as said note is even date and this instrument are held by the Secretary of Housing and Urban Development, an amount equal to the monthly charge in lieu of a mortgage insurance premium which shall be in an amount equal to one-tenth of 1% of the outstanding principal balance due on the note, computed with respect to taking into account delinquencies, if any, on the note.

A sum equal to the principal of any note due, plus the premiums that will next become due and payable on policies of fire and theft hazard insurance covering the mortgaged premises, plus taxes and assessments next due on the mortgaged property, will be estimated by the Mortgagee, less all sums already paid therefor deducted by the number of months to elapse before the 1st of the month to the date when such principal, premiums, taxes, and assessments will be next due. Delinquent such sums to be held by Mortgagee in trust to pay such principal, premiums, taxes, and special assessments; and All payments next due on the two preceding subdivisions of this paragraph and all payments to be made under the note secured hereby shall be withheld 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 first:

- I. Premiums hereunder under the contract of insurance with the Secretary of Housing and Urban Development, if monthly.
- II. Taxes, special assessments, fire and theft 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 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 not to exceed but not less than \$10.00 for 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 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, if the loan is current, 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 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 (a) of paragraph 2 preceding, and 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 charges, and other governmental or municipal charges, fines, or penalties, for which provision has not been made hereunder, or which are in default thereof the Mortgagee may pay the same, and that he will promptly reimburse the Mortgagee for the same. If the Mortgagee fails to make any payments provided for in this paragraph, the Mortgagee shall pay the same, and the Mortgagee shall be liable therefor from the date of such delinquency and until the same are paid by the Mortgagee.

5. That he will keep the premises in good repair, and will not commit or permit any waste thereof, or any other act which would injure the same.

6. That he will keep the premises covered by fire and theft hazard insurance 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 on such terms and conditions as shall be required by the Mortgagee, and will pay promptly when due, any premiums on such insurance, the payment of which has not been made hereunder. 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 a loss payable clause in favor of, and in form acceptable to the Mortgagee. In event of loss, the Mortgagee will have immediate recourse against the Mortgagee, who may make good of loss if not made promptly by the Mortgagee, and such loss shall be made good by the Mortgagee, authorized and directed to make payment to such loss, promptly to the Mortgagee, or to the Mortgagee 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 loss, lossure 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 in and to the mortgaged premises, then in force, shall pass to the public use, if any.

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 Mortgagee to the Mortgagee, and shall be paid forthwith to the Mortgagee to be applied by it, in or out of court, of the indebtedness secured hereby, whether due or not.

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