

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 full term premium on the next to close insurance premium of this instrument and the note secured hereby and insurance on the contents of the mortgaged premises and any other insurance held by the Secretary of Housing and Urban Development.
  - (B) If and so long as such title insurance and title commitment are required to insure hereunder the provisions of the National Housing Act or any act amendatory thereof shall apply, the full cost of the title insurance 12 months prior to its due date, the annual mortgage insurance premium and other expenses of such title insurance with funds to pay such premium to the Secretary of Housing and Urban Development in accordance with the National Housing Act as amended and applicable regulations thereunder.
  - (C) If and so long as the mortgage is insured by the Secretary of Housing and Urban Development, the mortgage insurance premium shall be an amount equal to one percent of the principal amount of the mortgage as shown on the mortgage instrument, computed without taking interest into account.
  - (D) Any and all the payments of taxes, assessments, and other charges, together with the amount due and payable on policies of fire and theft hazard insurance, together with the amount due on any other insurance contracts next due on the mortgaged premises, as set forth in the schedule attached hereto, and any and all other payments for taxes, assessments, or the like, if the total of the payments made by the Mortgagee under (b) of paragraph 2 hereof shall be insufficient to pay such taxes, assessments, and insurance premiums.
- All payments under this paragraph shall be made under the note secured hereby by the Mortgagee each month in a single payment.
- (i) property charges under the contract for deed with the Secretary of Housing and Urban Development;
  - (ii) taxes, special assessments, and all 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 payment or payments shall, unless made good by the Mortgagee prior to the due date of the next such payment, constitute a default under this mortgage. The Mortgagee may collect a "late charge" not to exceed five percent of the amount of any such payment more than fifteen (15) days in arrears to cover the extra expense incurred in making such payments.

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 this 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 (c) 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 in hereof 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 herebefore, and in default thereof the Mortgagee may pay the same, and that he will promptly deliver to the Mortgagee all such payments made to the Mortgagee. If the Mortgagee fails to make any payments provided for in this section, or if other payments for taxes, assessments, or the like, the Mortgagee may pay the same and he shall be bound to pay the interest at the rate set forth in the note secured hereby from the date of such advance and shall be bound to pay 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, nor shall he let and lease the premises.

6. That he will keep the premises and any building thereafter 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 or sums due thereon, together with the interest which has not been made hereinbefore. All insurance shall be carried by fire and marine insurance, and the policies and renewals thereof shall be held by the Mortgagee and have attached thereto all favorable clauses in favor of and in form acceptable to the Mortgagee. In event of loss Mortgagee will cause 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 in stead of to the Mortgagee and Mortgagee jointly, and the insurance proceeds, or any part thereof, as applied by the Mortgagee at its option either to the reduction of the indebtedness hereon secured or to the restoration or repair of the property damaged. In event of foreclosure of this mortgage or other sale or transfer of the mortgaged premises in extinction of the indebtedness secured hereby, all rights, claims, demands, and suits for recovery of such insurance proceeds then in force shall pass to the purchaser or purchaser.

7. That he holds the premises, together with any and all improvements thereon, and premises, from and after any default hereunder, subject to the mortgage, and in default hereunder, if a foreclosure is required, then the Mortgagee shall have the right to have a receiver appointed by the court in which the mortgage is being foreclosed, and after deducting all charges and expenses attending such proceedings, and the cost of the mortgage, the 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, shall hereafter be sold, or otherwise acquired for public use, the damages, proceeds, and the amount of the mortgage, to the extent of the full amount of indebtedness upon this mortgage, and the note secured hereby, and any and all other claims are hereby assigned by the Mortgagee to the Mortgagee and shall be a lien in priority to all other claims against the proceeds of the indebtedness secured hereby, whether due or not.

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