(I) If and so long as said mortgage debt of even date and this instrument are insured or are reinsured under the provisions of the National Housing Act, an amount sufficient to accumulate in the hands of the holder one (1) month prior to its due date the annual mortgage insurance premium, in order to provide such holder with funds to pay such premium to the Federal Housing Commissioner pursuant to the National Housing Act, as amended, and applicable Regulations thereunder, or

(II) If and so long as said mortgage debt of even date and this instrument are held by the Federal Housing Commissioner, a monthly charge (in lieu of a mortgage insurance premium) which shall be in an amount equal to one-twelfth (1/12) of one-half (1/2) per centum of the average outstanding balance due on the mortgage debt computed without taking into account delinquencies or prepayments,

(*b*) A sum equal to the ground rents, if any, next due, plus the premiums that will next become due and payable on 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 therefor divided by the number of months to elapse before one (1) month prior to the date when such ground rents, premiums, taxes and assessments will become delinquent, such sums to be held by Mortgagee in trust to pay said ground rents, premiums, taxes and special assessments, and

(*c*) All payments mentioned in the two preceding subsections of this paragraph and all payments to be made under the mortgage debt hereby secured 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 Federal Housing Commissioner, or monthly charge (in lieu of mortgage insurance premium), as the case may be,

(II) ground rent, if any, taxes, special assessments, fire and other hazard insurance premiums,

(III) interest on the mortgage debt secured hereby, and

(IV) amortization of the principal of said debt

Any deficiency in the amount of 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 Mortgagor agrees to pay a "late charge" not to exceed two (2) cents for each dollar of each payment more than fifteen (15) days in arrears, to cover the extra expense involved in handling delinquent payments

2 If the total of the payments made by the Mortgagor under (*b*) of paragraph 1 preceding shall exceed the amount of payments actually made by the Mortgagee for ground rents, taxes, 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 1 preceding shall not be sufficient to pay ground rents. taxes, assessments or 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 ground rents, 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 mortgage debt secured hereby, full payment of the entire indebtedness, 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 1 which the Mortgagee has not become obligated to pay to the Federal Housing Commissioner, and any balance remaining in the funds accumulated under the provisions of (*b*) of paragraph 1 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 Mortgagee acquires the property otherwise 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 1 preceding, as a credit against the amount of principal then remaining unpaid under the mortgage debt, and shall properly adjust any payments which shall have been made under (*a*) of paragraph 1

3 That he will pay all taxes, assessments, water rates and other governmental or municipal charges, fines, or impositions, and ground rents for which provision has not been made hereinbefore, and will promptly deliver the official receipts therefor to the Mortgagee, and in default of such payment by the Mortgagor, the Mortgagee may pay the same, and any sum or sums so paid by the Mortgagee shall be added to the mortgage debt hereby secured, shall be payable on demand, shall bear interest at the rate set forth hereinbefore and shall be secured by this mortgage

4 That he will keep the said premises in as good order and condition as they are now and will not commit or permit any waste thereof, reasonable wear and tear excepted

5 That he will keep the improvements now existing or 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, including war damage, 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 provisions for payment of which has not been made hereinbefore 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 loss payable clauses in favor of and in form acceptable to the Mortgagee In event of loss Mortgagor will give immediate notice by mail to the Mortgagee, who may make proof of loss if not made promptly by Mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to the Mortgagee instead of to the Mortgagor and the 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 in extinguishment of the indebtedness secured hereby, all right, title and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee

6 That upon a default in any of the covenants of this mortgage, the Mortgagee shall be entitled, without notice to the Mortgagor, to the immediate appointment of a receiver of the property covered hereby, without regard to the adequacy or inadequacy of the property as security for the mortgage debt; and upon any such default, whether or not a receiver has been appointed, the rents and benefits of said property are hereby assigned to the Mortgagee as additional security Until there is a default under this mortgage the Mortgagor shall have the right to possession of the said property

7 The Mortgagor further agrees that should this mortgage and the note secured hereby not be eligible for insurance under the National Housing Act within from the date hereof (written statement of any officer of the Federal Housing Administration or authorized agent of the Federal Housing Commissioner dated subsequent to the time from the date of this mortgage, declining to insure this mortgage, being deemed conclusive proof of such ineligibility), the Mortgagee or the holder of this mortgage may, at its option, declare all sums secured hereby immediately due and payable

8 The Mortgagor covenants and agrees that so long as this mortgage and the said note secured hereby are insured under the provisions of the National Housing Act, he will not execute or file for record any instrument which imposes a restriction upon the sale or occupancy of the mortgaged property on the basis of race, color, or creed Upon any violation of this undertaking, the Mortgagee may, at its option, declare the unpaid balance of the debt secured hereby immediately due and payable.