

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 2 hereof 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 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 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 2 preceding as a credit against the amount of the principal then remaining unpaid under said note, and shall properly adjust any payments which shall have been made under (a) of said paragraph.

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 heretofore, and will promptly deliver the official receipts therefor to the said mortgagee; and in default thereof the mortgagee may pay the same.

5. That he will keep all buildings and structures now on said premises or hereafter placed thereon in good repair and in as good condition as they now are, complete all buildings or other structures being or about to be built thereon within six months from the date hereof, and that he will permit no waste upon the mortgaged premises. The mortgagor further covenants to keep the buildings, improvements and fixtures 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 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 provision 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 if he default in any of the covenants or agreements contained herein, or in said note, then the mortgagee may perform the same, and all expenditures made by the mortgagee in so doing shall draw interest at the rate set forth in the note secured hereby and shall be repayable by the mortgagor to the mortgagee, and, together with interest and costs accruing thereon, shall be secured by this mortgage.

7. That if there is a default, regardless of whether or not the mortgagee elects to foreclose this mortgage, the mortgagee may collect all rents which may become due on the