

(b) The aggregate of the amounts payable pursuant to subparagraph (a) and those payable on the note secured hereby, shall be paid in a single payment each month, to be applied to the following items in the order stated:

- (i) ground rents, if any, taxes, assessments, fire and other hazard insurance premiums;
- (ii) interest on the note secured hereby; and
- (iii) amortization of the principal of said note.

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 Mortgagee may collect a "late charge" not to exceed an amount equal to four per centum (4%) of any installment which is not paid within fifteen (15) days of the due date thereof, but in no event shall this or other provisions be construed so as to authorize collection of any sum in excess of that permitted by law.

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3. If the total of the payments made by the Mortgagor under (a) of paragraph 2 preceding shall amount to the amount of payments actually made by the Mortgagee for ground rents, taxes and assessments of whatsoever nature, in the case may be, such amounts shall be credited on subsequent payments to be made by the Mortgagor for such items. If, however, such monthly payments shall not be sufficient to pay such items, when the same shall become due and payable, then the Mortgagor shall pay to the Mortgagee any amount necessary to make up the deficiency within thirty (30) days after written notice from the Mortgagee stating the amount of the deficiency, which notice may be given by mail. If at any time the Mortgagee shall tender to the Mortgagor, in accordance with the provisions of the note secured hereby, full payment of the entire indebtedness represented thereby, the Mortgagee in computing the amount of such indebtedness, shall credit to the account of the Mortgagor any credit balance remaining under the provisions of (a) 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, any credit balance accumulated under (a) of paragraph 2 on the interest secured and unpaid and the balance to the principal then remaining unpaid on said note.

4. He will pay all ground rents, taxes, assessments, water rates, and other governmental or municipal charges, fees or impositions, levied upon said premises, together with payment for all such items has therefor been made under (i) of paragraph 2 hereof, and he will promptly deliver the official receipts therefor to the Mortgagee. In default thereof the Mortgagee may pay the same.

5. He shall not commit or permit waste; and shall maintain the property in as good condition as at the time aforesaid was and here accepted. Upon any failure so to maintain, Mortgagee, at its option, may cause reasonable maintenance work to be performed at the cost of Mortgagor. Any amounts paid by the Mortgagee shall bear interest at four per centum (4%) per annum, shall thereupon become a part of the indebtedness secured by this instrument, ratable and on a parity with all other indebtedness secured hereby, and shall be payable thirty (30) days after demand.

6. He will diligently maintain hazard insurance, of such type or types and amounts as Mortgagee may from time to time require, on the improvements now or hereafter on said premises, and except when required for all such purposes has theretofore been made under (a) of paragraph 2 hereof, he will diligently pay when due any premiums therefor. Upon default thereof, Mortgagee may pay the same. All amounts shall be carried in companies approved by the Mortgagee and the policies and renewals thereof shall be held by it and have attached thereto loss payable clauses in favor of and in form acceptable to the Mortgagee. In event of loss he will give immediate notice by mail to the Mortgagee who may cause a survey of loss if not made promptly by the Mortgagee, and each insurance company concerned is authorized to pay and directed to make payment for such loss directly to the Mortgagee instead of to the Mortgagor or to the Mortgagee's estate. The insurance proceeds, or any part thereof, may be applied to the payment of the indebtedness to the Mortgagee, or to the payment of the indebtedness hereby secured or to the repair or replacement of the property damaged. In event of foreclosure of this mortgage, or other transfer of title to the mortgaged property in satisfaction of the debt secured hereby, all right, title and interest in the Mortgagor in and by any insurance policies then in force shall pass to the purchaser or transferee of the property.

7. At the request of the Mortgagee the Mortgagor shall execute and deliver a supplemental note secured by this mortgage to be attached to the original note for the alteration, modification, or improvement of the same, or for the extension of the term of said mortgage, for taxes or assessments against the property secured hereby, or for the discharge of said mortgage. Said note or notes shall be secured by this mortgage and shall bear interest at four per centum (4%) per annum. The term or terms of said note or notes shall be as may be agreed upon by the Mortgagor and the Mortgagee. The whole of the sum or sums so advanced shall be paid by the Mortgagor. In no event shall the amount of the indebtedness secured hereby be increased above the amount stated above.

8. The Mortgagor shall defend or compromise of this mortgage, or of the property covered hereby, or of the interests of the Mortgagee shall, at the option of the Mortgagee, be the duty of the Mortgagor. The Mortgagor shall have the right to make any loan or advance of money to the Mortgagee, but such loan or advance shall not constitute a part of the indebtedness secured hereby, and shall be repaid to the Mortgagee by the Mortgagor.