

Said note further provides that if default be made in the payment of any part of said money, either principal or interest, when the same becomes due and payable, then all of said principal and all interest due at the time of such default shall, at the option, of the legal holder or legal holders, become due and payable, and both principal and interest are to bear interest at the rate of eight per cent per annum after maturity.

and

WHEREAS, The Mortgagor does for himself and for his heirs, representatives, grantees and assigns, the owners of said lands, hereby expressly warrant, covenant, agree and stipulate to and with the Mortgagee and its successors, vendees and assigns:

FIRST: That the lien created by this instrument is a first and prior lien and encumbrance on the above described land and improvements.

SECOND: To pay the indebtedness as in said note provided.

THIRD: To procure and maintain policies of fire, windstorm and explosion insurance on the buildings erected and to be erected upon the above described premises in a company or companies acceptable to the Mortgagee to the amount of SEVENTY FIVE THOUSAND AND NO/100 - - - - - Dollars (\$ 75,000.00 )

with no co-insurance clauses in the policies of insurance unless the Mortgagee shall consent thereto in writing, the losses, if any, payable to the Mortgagee. It is further agreed that all policies of insurance of whatever nature and of whatever amount, taken out on said improvements or fixtures thereto attached during the existence of the debt hereby secured, shall be constantly assigned, pledged, and delivered to the Mortgagee for further securing the payment thereof and that all renewal policies shall be delivered to the Mortgagee at least three days before the expiration of the old policies, with full power hereby conferred to settle and compromise all loss claims, to demand, receive and receipt for all moneys becoming payable thereunder, and the same to apply toward the payment of said obligations, unless otherwise paid, or in rebuilding or restoring the damaged building as the Mortgagee may elect. If any of said agreements be not performed as aforesaid, then the Mortgagee may effect and procure such insurance, paying the cost thereof, and for the repayment of all moneys thus paid with interest thereon from the time of payment at the rate of eight per cent per annum, these presents shall be security in like manner and with like effect as for the payment of said note.

The Mortgagee is hereby expressly authorized and empowered by the Mortgagor to collect and receive from any insurer issuing policies of any kind covering said premises all such amounts as may be due or payable to the Mortgagor by way of unearned premiums or otherwise, on any such policy or policies of insurance, should said policy or policies of insurance be at any time cancelled for any cause or upon any ground, and upon the receipt of such unearned premium from such insurer or insurers, the Mortgagee is hereby authorized and directed to give a receipt therefor in the name, behalf and stead of the Mortgagor, as his agent. The Mortgagee is hereby further expressly given the signature of the Mortgagee shall be taken with like effect as if the Mortgagor had individually signed or endorsed said checks or vouchers. All such moneys as shall be thus collected and received by the Mortgagee may be applied by it to the cost of procuring other insurance on the property conveyed by this deed, and any excess remaining, if any, to be applied toward payment of interest and/or principal then or thereafter accruing.

In the event of foreclosure hereunder, the Mortgagee shall have full and complete power to assign to the purchaser or purchasers at such foreclosure sale any and all policies of insurance which may then be in force and effect upon the property hereby conveyed for the full unexpired term of such policy or policies, and the Mortgagor shall not be entitled to have said insurance cancelled and to receive the unearned premium thereon.

FOURTH: That the whole of said principal sum, or so much thereof as shall remain unpaid, shall become due at the option of the Mortgagee in the case of the actual or threatened demolition or removal of any building erected upon said premises, or in the case of the acquisition for public use, condemnation of, or exercise of the right of eminent domain by any public authority with respect to any portion of said lands and improvements, anything herein contained to the contrary notwithstanding.

FIFTH: To execute any further necessary assurance of the title to said premises and will forever warrant said title.

SIXTH: To keep all buildings and other improvements on said premises in good repair and neither to commit nor suffer any waste upon said premises, nor to do any other act whereby the property hereby shall become less valuable. If any of said agreements be not performed as aforesaid, the Mortgagee may, without notice or demand, effect and procure all repairs in its opinion necessary to preserve the security of this instrument, paying the cost thereof, and for the repayment of all moneys thus paid with interest thereon from the time of payment at the rate of eight per cent per annum, these presents shall be security in like manner and with like effect as for the payment of said note.

SEVENTH: To pay forthwith all taxes, assessments and public charges, general and special, and penalties, now existing against said lands and improvements, and to pay when due and payable, all taxes assessments and public charges, general and special, and penalties, hereafter becoming due thereon or thereafter, and to exhibit to the Mortgagee all receipts or other satisfactory evidence of such payment; and to keep said lands and improvements free from all liens and claims of every kind, whether statutory or otherwise, and to protect the title and possession of said premises so that this mortgage shall be and remain a first lien thereon. If any of said agreements be not performed as aforesaid, the Mortgagee, without notice or demand from the Mortgagor, may pay such tax, assessment, charge and penalties, or any part thereof, and may also pay the final judgment of any lien, or any other claim which is or may become a lien, charge or encumbrance on said land and/or improvements, including attorney's fees and all costs incurred or expended in the defense of any lien, claim or suit, and the Mortgagor agrees to repay any amount so paid, to the Mortgagee, with interest thereon at the rate of eight per cent per annum, without notice or demand, and for such repayment with interest these presents shall be security in like manner and with like effect as for the payment of said note. Anything herein contained to the contrary notwithstanding, the whole amount hereby secured, if not then due, shall thereupon, if the Mortgagee so elect, become due and payable forthwith, and the receipt of the proper officer for such taxes, assessments, charges and penalties shall be, as between the Mortgagee and the Mortgagor, conclusive evidence of the amount and validity of such taxes, assessments, charges and penalties.

EIGHTH: That nothing herein contained shall be construed or taken as making it the duty of the Mortgagee to advance any money for any purpose whatsoever mentioned in this mortgage.

NINTH: The Mortgagee, before foreclosure hereunder, and the purchasers at any foreclosure sale held hereunder, shall be subrogated to the lien of any prior encumbrance or vendor's lien on said premises paid out of money secured by this mortgage, if any, whether or not said prior lien be released.

TENTH: Upon request of Mortgagor, or his successors in title, City Bond and Mortgage Company, or its successors and assigns, at its or their option, at any time before full payment of the note or obligation hereinbefore described, and secured hereby, may make further advances to the Mortgagor, or to any of his successors in title, and the amount of any such advance shall be added to and shall increase the indebtedness secured hereby, and shall be a part of the indebtedness secured by this mortgage as fully and to the same extent as the original indebtedness hereinbefore described; provided, however, that the total shall not exceed the original principal sum hereinbefore described and secured hereby; and provided further, that the final principal sum of any such additional advance or advances shall not be later than the time specified herein for the payment of the original indebtedness hereinbefore described and secured hereby. An Additional Advance Agreement may be given and accurate and other express modifications of this mortgage and the original note or obligation hereinbefore described and secured hereby; and the Mortgagor does hereby covenant and agree to repay all such further advances made as aforesaid, together with interest thereon, in accordance with the provisions of such Additional Advance Agreement or Agreements, and that all of the covenants and agreements contained in this mortgage shall apply to such further advances except as this mortgage shall be expressly modified by such Additional Advance Agreement. This paragraph Tenth shall not alter in any way, restrict or affect the right of City Bond and Mortgage Company, or its successors and assigns, to make advances for taxes, assessments, insurance premiums or to preserve the security of this mortgage or for any other purpose herein provided for.

ELEVENTH: The proceeds of the loan evidenced by the note secured hereby are to be used in the construction of certain improvements on said premises in accordance with the terms of a Completion Bond dated

given by the Mortgagor, as principal and CITY BOND AND MORTGAGE COMPANY, which Completion Bond (except such parts thereof as may be inconsistent herewith) is incorporated herein by reference to the same extent and effect as if fully set forth herein; and if the construction of the improvements shall not be completed in the manner, at the time, and in all respects as provided in said Completion Bond, or shall not be carried on with reasonable diligence, or shall be discontinued at any time for any reason other than strikes or lock-outs, CITY BOND AND MORTGAGE COMPANY, after giving ten (10) days notice in writing to the Mortgagor or any subsequent owner of the premises, is hereby invested with full and complete authority to enter upon the said premises, employ and to continue any and all outstanding contracts for the erection and completion of such improvements, to make and enter into any contracts and obligations wherever necessary, either in its own name or the name of the Mortgagor, and to pay and discharge all debts, obligations and liabilities incurred thereby; and for the repayment of all moneys thus paid (exclusive of any