

This mortgage is given to secure the payment of the principal sum of One Hundred Thousand and No/100 ----- DOLLARS (\$ 100,000.00 ), with interest thereon, as evidenced by a certain promissory note of even date herewith, the terms of which are incorporated herein by reference, payable in installments as provided by said note until the total amount of indebtedness to the Mortgagee, its successors and assigns, has been paid in full.

The Mortgagor covenants and agrees as follows:

1. That he will promptly pay the principal and interest evidenced by the said note, at the times and in the manner therein provided.
2. 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 herein, and in default thereof the Mortgagee may pay the same.
3. That he will keep the premises above conveyed in as good order and condition as they are now and will not commit or permit any waste thereof, reasonable wear and tear excepted.
4. That the Mortgagor will keep the improvements now existing or hereafter erected on the mortgaged premises, 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 it may require and will pay promptly, when due, any premiums on such insurance provision for payment of which has not been herein made. All insurance shall be carried in companies approved by the Mortgagee and the policies and renewal 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 make proof of loss if not made promptly by the 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 debt 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.
5. That if the Mortgagor fails to make any payment provided for in this mortgage for taxes, insurance premiums, repair of the premises, or the like, then the Mortgagee may pay the same and all sums so advanced, with interest thereon at 10% per annum from the date of such advance, shall be payable on demand and shall be secured hereby.
6. That if there shall be a default in any of the terms, conditions or covenants of this mortgage, or of the note secured hereby, then any sums owing by the Mortgagor to the Mortgagee shall, at the option of the Mortgagee, become immediately due and payable. The Mortgagee shall then have the right to enter into the possession of the mortgaged premises and collect the rents, royalties, issues and profits thereof. In the event of any default, as herein described, this mortgage may be foreclosed. Appraisement is hereby waived.
7. Mortgagor will deposit with the mortgagee or its designated representative, in addition to any initial deposit, on payment dates specified in the note secured hereby, a sum equivalent to one-twelfth of the estimated annual taxes and insurance premiums. Such monthly deposits shall be made together with and in addition to the payments provided in the note hereby secured. The mortgagee or its representative, shall hold said deposit to pay such taxes and insurance premiums when due. In the event the funds so deposited are insufficient to pay such taxes and insurance premiums when due, mortgagor agrees to deposit immediately such additional funds as may be necessary for such purpose and failure to comply with this provision shall constitute a default under this instrument. If an excess should accumulate, then the mortgagee agrees to apply the amount of such excess to the taxes and insurance premiums as may thereafter accrue. It is understood and agreed that there shall be no obligation on the part of the mortgagee to pay any special tax or assessment from such fund. If, at any time, mortgagor shall tender to the mortgagee, or its representative, in accordance with the provisions of the note hereby secured, full payment for the entire indebtedness, the mortgagee in computing the amount of such indebtedness shall credit to mortgagor's account, any balance held for payment of taxes and insurance premiums. If there is a default on any of the provisions of this instrument resulting in sale of the premises herein conveyed, the mortgagee, or its representative, shall be and is hereby authorized and empowered to apply, at the time of the commencement of proceedings, the balance then remaining in the tax and insurance account as a credit against the principal amount then remaining unpaid.