

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 Mortgagee 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

ONE HUNDRED TWENTY FIVE THOUSAND AND NO/100----- Dollars (\$ 125,000.00)

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 by the Mortgagor full power to endorse his name upon any checks or vouchers given in payment of said premiums so that 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 to 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: That, in order to more fully protect the security of this mortgage, the Mortgagor will pay to the Mortgagee, together with, and in addition to, the monthly payments under the terms of the note secured hereby, on the first day of each month until the said note is fully paid, an installment of the taxes and special assessments levied or to be levied against the premises covered hereby and of the premium or premiums that will become due and payable to renew the insurance provided for herein. These installments shall be equal respectively to the amount of the premium or premiums for such insurance, and the before one month prior to the date when such premium or premiums and taxes and assessments will become due. The Mortgagee shall hold such monthly payments in trust to pay such premium or premiums and taxes and assessments when due. If the total of such monthly payments shall exceed the amount of payment actually made by the Mortgagee for taxes or assessments or insurance premiums, as the case may be, such excess shall be credited by the Mortgagee on subsequent payments of the same nature to be made by the Mortgagor. If, however, the total of such monthly payments made by the Mortgagor shall not be sufficient to pay taxes and assessments and 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 the Mortgagee shall refund to the Mortgagor any portion of such monthly payments which has not yet been applied to the payment of taxes, assessments or insurance premiums. If, however, there shall be a default under any of the provisions of this mortgage the Mortgagee shall be, and hereby is, authorized and empowered to apply at any time thereafter any portion of such monthly payments then accumulated, as a credit against the amount of principal and interest then remaining unpaid under said note and any sums then remaining unpaid under this mortgage. Any deficiency in the amount of such monthly payment shall constitute an event of default under this mortgage.

ELEVENTH: 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 amount of principal secured by this Mortgage and remaining unpaid at any time, including any such advance or advances, shall not exceed the original principal sum hereinbefore described and secured hereby; and provided further, that the final maturity date 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 accepted with respect to each such further advance, which may provide for different monthly payments and a different interest rate and other express modifications of this Mortgage and the original note or obligation hereinbefore described and secured