

due under the terms of this mortgage, together with all legal costs and charges for such sale permitted by law, rendering the surplus moneys (if any there should be), to the Mortgagor. Upon foreclosure of this Mortgage, the Mortgagee shall be allowed as a part of the indebtedness secured hereby, and the Mortgagee agrees to pay, all costs and expenses incurred in connection therewith, cost of title and tax search and the extension to date of an abstract of title or title policy; and in case such foreclosure proceedings are settled before the consummation thereof or the entry of judgment, any such costs and expenses and other charges so incurred shall nevertheless be paid. The Mortgagee or any party in interest, being the highest bidder, may be a purchaser at any foreclosure sale. Any election by the Mortgagee as herein provided for may be exercised immediately upon default, or at any time thereafter, and nothing shall be construed to be a waiver of such right unless evidenced by an instrument in writing to that effect duly executed by the Mortgagee.

AND THE MORTGAGOR FURTHER COVENANTS AND AGREES:

1. To pay the principal indebtedness with interest as in the note provided. To pay monthly unto the Mortgagee, in addition to and at the time and place for each payment of principal and interest, an installment of each of the following charges:

- (a) Taxes and special assessments levied or to be levied against the property in this Mortgage described.
- (b) Premiums to become due and payable for, and to renew, the insurance on said property against loss by fire and such other hazards, casualties and contingencies as herein provided for or required from time to time.

The amount of the respective monthly installments shall be equal to the amount of the annual respective charge next due (as estimated by the Mortgagee), less all installments already paid therefor, divided by the number of monthly installments therefor becoming due not later than one month prior to the due date of any such charge and shall be subject to increase or decrease to the extent required to create as of a monthly payment date on the note when due and payable, and the money so received may be held with its own funds pending payment or application thereof as required, and the money so received may be held with its own funds pending payment or application thereof as herein provided. The Mortgagor shall furnish unto the Mortgagee at least fifteen days before the due date an official statement of the amount of any taxes or assessments next due, and such Mortgagee shall pay the above charges to the amount of the then unused credit therefor as and when they become severally due and payable. The Mortgagee may, at its option, pay any of such charges when payable, either before or after they are delinquent, without notice, or make advances therefor in excess of the then amount of credit for said charges. The excess amount advanced shall be immediately due and payable to the Mortgagee and shall be secured as an additional principal sum under this instrument and bear the same rate of interest from date of advancement as the principal indebtedness. An official receipt therefor shall be conclusive evidence of such payment and of the validity of such installments. The Mortgagee may apply credits for the above charges, or any part thereof, on account of any delinquent installments of principal or interest or any other payments maturing or due under this Mortgage and the amount of credit existing at any time shall be reduced by the amount thereof paid or applied as herein provided. The amount of the existing credit hereunder at the time of any transfer of the property shall without assignment thereof inure to the benefit of the successor owner of the property for application under and subject to all of the provisions hereof. Upon the payment in full of the indebtedness, the amount of any unused credit shall be applied to the payment thereof.

The Mortgagee may collect a "late charge" not to exceed four cents (4c) for each one dollar (\$1.00) of each monthly installment payment required on the note and under this Mortgage which is more than fifteen (15) days in arrears, to cover the extra expense involved in handling delinquent payments.

2. To pay, when payable, all taxes and assessments, general or special, water rents and ground rents and all other charges whatsoever levied upon or assessed or placed against the premises, provision for which has not been made herebefore, and will promptly deliver the official receipts therefor to the Mortgagee; to likewise pay all taxes, assessments and other charges levied upon or assessed, placed or made against this instrument, or the indebtedness or any interest of the Mortgagee in the premises or the obligations secured hereby, provided that the payment of any such tax assessment or charge by the Mortgagor is not contrary to law or would not result in date of this instrument of an unlawful rate of interest on the indebtedness hereby secured. In the event of the passage after the date of this instrument of any law of the State, or subdivision thereof, wherein the premises are situated, creating or providing for any tax assessment or charge which by the above proviso is not to be paid by the Mortgagor, the indebtedness secured hereby together with interest due thereon shall, at the option of the Mortgagee, become immediately due and payable, and in the event payment thereof is not made forthwith, the Mortgagee may take or cause to be taken such action or proceeding as may be taken hereunder in the case of any other default in the payment of the indebtedness.

3. To keep the buildings and additions thereto on or hereafter erected or placed upon the land insured against loss by fire and such other hazards, casualties and contingencies, including war damage if at any time a state of war exists or it appears to the holder of the note that war is imminent and in such amounts and for such periods as may be required from time to time by the Mortgagee, and to pay promptly when due all premiums on such insurance, provision for payment of which has not been made herebefore. The policies of insurance shall have loss payable provisions acceptable to the Mortgagee and shall be delivered to and held by the Mortgagee, or as it may direct, until this Mortgage is satisfied. Renewal policies of insurance, premiums for which have been fully paid, are to be furnished to the Mortgagee at least fifteen days prior to the expiration date of the insurance thereby renewed. The insured shall be written in companies approved by the Mortgagee, and it shall be the option of the Mortgagee to select the company or companies and the agency or agencies in and through which the insurance shall be obtained, including the terms and conditions of any policy entered, and to surrender and to cause to be cancelled any policy which may be received or accepted, and to place the insurance on a new policy to be obtained by the Mortgagee. In no event shall the Mortgagee be held responsible for failure to pay for any insurance written or for any loss or damage growing out of a defect in any policy or growing out of any failure of any insurance company to pay for any loss or damage insured against. In the event of loss the Mortgagor shall give immediate notice by mail to the Mortgagee who may make proof of loss if not made promptly by the Mortgagor; such insurance company concerned is hereby authorized and directed to make payment for loss directly to the Mortgagee instead of to the Mortgagor and the Mortgagee jointly; the insurance proceeds, or any part thereof, may be applied by the Mortgagee, at its option, to the expenses, if any, incurred by it in the collection thereof, or released to the Mortgagor without liability upon the Mortgagee for such release. All policies of insurance are hereby assigned to the Mortgagee as additional security for the payment of the sums and interest secured hereby; in the event of foreclosure of this Mortgage or other transfer of title to the premises in extinguishment of the indebtedness, all right, title and interest of the Mortgagor in and to any insurance policies then in force shall pass to the purchaser or grantee.

4. To complete within a reasonable time any building or buildings now or at any time in the process of erection upon the land and to promptly repair, restore or rebuild any building or improvements now or hereafter on the land which may become damaged or be destroyed; and not commit or permit to be done or exist on or about the premises anything whereby the premises shall become less valuable; to comply with all laws, rules, regulations, or ordinances of any governmental agency and not violate or permit the violation as to the premises of any building or use restrictions; to keep the land and improvements thereon free from mechanics and materialmen's liens and will not suffer any lien superior to the lien created by this instrument to attach to or be enforced against the premises.

5. If default be made in the payment of taxes, assessments, liens, claims, insurance premiums or any other charge whatsoever, or any part thereof, or in the performance of any act, to be paid or performed by any other under the provisions hereof, the Mortgagee may, at its option, make payment thereof or perform any act required of the Mortgagor in any form or manner deemed expedient and pay any other sum that is necessary to protect the security of this instrument; the amounts shall be assessed as an additional lien on the premises and shall be added to and become a part of the indebtedness secured hereby, and be immediately due and payable to the Mortgagee. Any payment hereby authorized to be made by the Mortgagee may be made according to any bill, statement or estimate furnished or procured from the appropriate public office or the party claiming payment without inquiry into the accuracy or validity thereof, and the receipt of any public officer or party in the hands of the Mortgagee shall be conclusive evidence of the validity and amount of items so paid; the Mortgagee shall, at its