

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 not less than one month prior to the due date of any such charge, an amount sufficient for the payment thereof when due and payable. In no event shall the Mortgagee be liable for any interest on any amount paid to it as herein 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 charges. 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 fifty (50) cents 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 hereinbefore, 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 the payment 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 hereinbefore. 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 insurance shall be written in companies approved by the Mortgagee, and it shall be the duty of the Mortgagor to cause the same to be renewed and to pay the premiums therefor. ~~And the Mortgagor shall be held responsible for the failure to pay for any insurance written or for any loss or damage insured against. In the event of loss of the Mortgagor shall give immediate notice by mail to the Mortgagee who may make proof of loss if not made promptly by the Mortgagor; each insurance company concerned is hereby authorized and directed to make payment for loss directly to the Mortgagee instead of 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; to the reduction of the indebtedness hereby secured; to the restoration or repair of the property damaged, 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 the Mortgagor 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 so paid, with interest thereon from the date of such payment at the same rate as borne by the principal indebtedness, 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 option, be subrogated to any encumbrance, lien, claim or demand, and to all the rights and securities for the payment thereof, paid or discharged with the principal sum secured hereby or by the Mortgagee because of any default as to any stipulation, agreement and covenant of the note and this Mortgage, or either, or in any suit or proceeding at law or in equity to which the Mortgagee shall be and become a party in reference to the Mortgagor's costs, charges and expenses shall also be deemed a charge and indebtedness secured hereby and bear interest at the same rate as the principal indebtedness.

6. To pay all and singular the costs, charges and expenses reasonably incurred or paid at any time by the Mortgagee because of any default as to any stipulation, agreement and covenant of the note and this Mortgage, or either, or in any suit or proceeding at law or in equity to which the Mortgagee shall be and become a party in reference to the Mortgagor's costs, charges and expenses shall also be deemed a charge and indebtedness secured hereby and bear interest at the same rate as the principal indebtedness.