

payment, notice of nonpayment and notice of protest.

13. Mortgagor covenants and agrees to establish with Mortgagee a replacement reserve in the amount of \$2,000.00, to be held without interest, by paying to the Mortgagee with each payment of interest and principal the sum of \$55.00 whenever such fund is below the stipulated amount. Said reserve may be drawn upon to pay the cost of replacing the equipment necessary to operate the improvement for its intended use as approved by the Mortgagee. In the event of default under this Mortgage or the Note secured hereby the Mortgagee may apply the reserves to the curing of such default and the Mortgagor will immediately pay to the Mortgagee an equivalent sum to reinstate the reserve, and until such reinstatement this Mortgage shall be in default. Transfer of legal title to the premises shall automatically transfer the beneficial interest in the reserve to the new owner.

NOW, if said Note and interest thereon be paid when due and the agreements in said Note and this Mortgage be faithfully performed, then these presents shall be null and void and the premises hereinbefore conveyed shall be released at the cost of Mortgagor. But if any of the agreements herein or in said Note contained be not kept or performed as aforesaid, then the remaining indebtedness secured hereby may at the option of the Mortgagee, without notice, be declared due and payable for all purposes, or Mortgagee may at his option effect the necessary repairs, pay such taxes or assessments or any part thereof, effect such insurance paying the cost thereof, and may pay and satisfy any final judgment on any lien claim, including all costs and expenses in connection therewith, and for the repayment of all moneys paid in the premises, with interest thereon from the time of payment at the rate of ten per centum (10%) per annum, these presents shall be security in like manner and with like effect as for the payment of said Note. In event of any default, Mortgagee shall be entitled to foreclose this Mortgage and shall be entitled to a judgment for the sum due upon said Note and any additional sums paid by virtue of this Mortgage, including all costs and expenses of enforcing the same, as provided by law, and shall be entitled to a decree for the sale of said premises in satisfaction of said judgment foreclosing all of the rights and equities of Mortgagor in and to said premises, as well as all persons claiming under it, and at which sale appraisement of said property is hereby