

WHEREAS, The Mortgagor is justly indebted to the Mortgagee in the principal sum of FIVE HUNDRED THOUSAND AND NO/100 DOLLARS (\$500,000.00) and has agreed to pay the same with interest thereon according to the terms of a certain note or obligation in said principal amount, bearing even date herewith and made payable to the order of the Mortgagee and executed by the Mortgagor and providing for the payment thereof.

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 nine per cent (9%) per annum after maturity.

and

WHEREAS, the Mortgagor does for itself and for its successors, 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 upon the above described premises in a company or companies acceptable to the Mortgagee to the amount of FIVE HUNDRED TEN THOUSAND AND NO/100 DOLLARS (\$510,000.00) 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 nine per cent (9%) per annum, these presents shall be security in like manner and with like effect as for the payment of said note.