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The mortgagor further warrants and agrees to defend the title thereto against the claims and demands of all persons.
It is agreed that this mortgage is given to secure the payment of NINETEEN THOUSAND and NO/100

with interest thereon at the rate of six & one-half per cent per annum (6 1/2 %), together with such charges and advances as may be due and payable to said mortgagee under the terms and conditions of a certain promissory note of even date herewith and secured hereby, executed by said Mortgagor to said Mortgagee payable as expressed in said note, and to secure the performance of all the terms and conditions contained therein. The terms of said note are hereby incorporated in this mortgage by reference. It is the intention and agreement of the parties hereto that this mortgage shall also secure any future advances made to said mortgagor by said mortgagee and any and all indebtedness in addition to the amount above stated which said mortgagor or any of them may owe to said mortgagee, however evidenced, whether by note or otherwise. This mortgage shall remain in full force and effect between the parties hereto and their heirs, personal representatives, successors and assigns until all amounts secured hereunder including future advances are paid in full with interest thereon.

The Mortgagor also agrees and warrants as follows:

1. Time is of the essence of this agreement. Mortgagor shall promptly pay the said principal of and said interest on the indebtedness evidenced by said promissory note and any and all other payments provided in said note and in this mortgage, at the times and in the manner therein provided.

2. In addition to the said payments of principal, interest, and other charges provided for in said note, the Mortgagors shall pay all taxes and assessments of every kind and nature upon the above described mortgaged property, when the same become due and payable. A sum equal to one-twelfth of the total estimated amount of the current years real estate taxes and assessments shall be paid monthly in advance to said Mortgagee upon the regular monthly payment date, to be used by said Mortgagee to pay said taxes and assessments. If the fund so created and held by said Mortgagee until said taxes and assessments become due and payable is insufficient to pay said taxes and assessments when due, the Mortgagor agrees to pay the difference upon demand from the Mortgagee. If the fund so created exceeds the amount of said real estate taxes and assessments, the excess shall be credited to the Mortgagor and applied on interest or principal or held for future taxes as said Mortgagee may elect. The waiving of such monthly payments for taxes and assessments at any time shall not bar the Mortgagee from later requiring such payments from the Mortgagor.

3. The Mortgagor further agrees to procure, maintain and pay all premiums for policies of insurance in companies acceptable to the Mortgagee, insuring said mortgaged premises against fire, lightning, windstorm or other casualty and extended coverage in an amount equal to or exceeding the unpaid balance of said obligation. Said policies shall have mortgage clauses attached thereto making loss, if any, payable to said Mortgagee as its interests may appear. In the event of loss, the Mortgagor shall give immediate notice to the Mortgagee and said Mortgagee is hereby authorized to make proof of loss if the same is not promptly made by the Mortgagor. Said insurance companies are authorized to make payments for such loss directly to the Mortgagee and the proceeds of such insurance or any part thereof may be applied by the Mortgagee, at its option, either to the reduction of the indebtedness hereunder or to the restoration or repair of the damaged property. In the event of foreclosure of this mortgage or in the event of transfer of title to the above described mortgaged property in extinguishment of the said indebtedness, all right, title and interest of the mortgagor in and to said insurance policies then in force shall pass to Mortgagee. The Mortgagor agrees to pay a sum equal to one-twelfth of the estimated insurance premiums monthly in advance to the Mortgagee upon the regular monthly payment date to be used by the Mortgagee in paying said premiums. If the fund so created is insufficient to pay said premiums, when due, Mortgagor agrees to pay the difference upon demand, and if said fund so held by Mortgagee for payment of said premiums when the same become due is in excess of said premiums, the excess shall be credited to the Mortgagor and applied on interest or principal or held for future insurance premiums as the Mortgagee may elect. The waiving of such monthly payments for insurance premiums shall not bar the Mortgagee from later requiring such payments.

4. The Mortgagor agrees that at all times while this mortgage remains in full force and effect, to keep and maintain the buildings, and other improvements located upon the above described real estate in good condition and repair at all times and not to allow waste or permit a nuisance thereon.

5. It is agreed that in the event of the failure of the mortgagor to pay all real estate taxes and assessments when the same are by law due and payable, or in the event of a like failure to keep in force said policies of insurance or to make repairs of said mortgaged premises, said mortgagee may pay said taxes, assessments and insurance and make said repairs and the amounts so expended by Mortgagee shall be a lien on the premises described in this mortgage. Said amount may be recovered with interest at a rate not to exceed ten per cent (10%) per annum, and said sums so advanced by mortgagee, may, at the option of said Mortgagee be made a part of the unpaid balance of said note thereby increasing said unpaid balance. Payment of any of said items by said mortgagee shall not be construed as a waiver of that default or of the right of said Mortgagee to foreclose this mortgage because of such default.

6. The Mortgagor agrees to pay all costs, charges and expenses reasonably incurred or paid at any time by said Mortgagee including abstract or title insurance expenses because of the failure of Mortgagor to comply with the provisions of said note or of this mortgage and the same shall be secured by this mortgage.

7. The Mortgagor may, by agreement with said Mortgagee, obtain additional advances from Mortgagee for any purpose, whether specified herein or not, and such advances shall become a part of the principal balance herein, and shall be covered by the lien of this mortgage, and shall be repaid in accordance with the terms and provisions of said note and this mortgage.

8. The Mortgagor hereby assigns to the Mortgagee, all rents and income arising at any and all times from the property mortgaged and hereby authorize the said Mortgagee, at its option, to enter into the possession of and take charge of said property, to collect and receive all rents and incomes therefrom, and apply the same on the interest and principal payments due hereunder, including insurance premiums, taxes, assessments, repairs or improvements necessary to keep said property in tenable condition, or to other charges provided for in said note or this mortgage, provided said mortgagor is in default under the terms of said note or this mortgage. This rent assignment shall continue in force until all indebtedness represented by said note and this mortgage is fully paid. The taking possession of said property by said mortgagee shall in no manner prevent or retard said Mortgagee in the collection of said indebtedness or in the enforcement of its rights by foreclosure or otherwise.

9. It is agreed and understood that in the event of a default by Mortgagor in any one or more of the conditions, provisions or agreements of said note or of this mortgage, said Mortgagee may, at its option, and without notice, declare the whole amount of the indebtedness under said note and this mortgage to be immediately due and payable, and foreclose this mortgage. In case of any such default, the balance of the indebtedness shall draw interest at the rate of ten per cent per annum from the beginning of said default until paid.

10. The failure of said Mortgagee to assert any of its rights under said note or this mortgage, at any time, shall not be construed as a waiver of its rights to assert the same at a later time, and to insist upon and enforce strict compliance with all the terms and provisions of said note or of this mortgage. Notice of the exercise of any option granted herein to said Mortgagee shall not be required.

11. The mortgagor further agrees that the obligation secured by this mortgage has been in part advanced by mortgagee relying upon the financial responsibility of mortgagor. In the event the real estate covered by this mortgage is conveyed by mortgagor to any person or corporation before the obligation secured by this mortgage has been paid, the mortgagee shall have the right at its option and for any reason it deems to be sufficient, to determine this to be an act of default under the terms of this mortgage, and to declare the whole amount of the remaining obligation secured by this mortgage immediately due and payable, and mortgagee may foreclose this mortgage in such event.

12. The mortgagor further agrees that in the event the real estate covered by this mortgage is conveyed to any person or corporation who assumes and agrees to pay the obligation secured by this mortgage and mortgagee does not elect to accelerate the balance of the remaining obligation secured by this mortgage as specified under paragraph 11 above, mortgagee may charge the assuming grantee a transfer fee of \$25.00. The failure to pay such transfer fee shall constitute a default of this mortgage and mortgagee may at its option declare the whole amount of the indebtedness secured by this mortgage immediately due and payable and foreclose this mortgage in such event.

IN WITNESS WHEREOF, the Mortgagor has executed and delivered this mortgage the day and year first above written.

W. C. Pennington
W. C. Pennington

Luanna Pennington
Luanna Pennington

Luanna Pennington
Mortgagor