

thereof or articles in substitution therefor, whether or not the same are, or shall be attached to said building or buildings in any manner. It is hereby agreed that to the extent permitted by law all of the foregoing property and fixtures are to be deemed and held to be a part of and affixed to the realty.

To HAVE AND TO HOLD the premises described, together with all and singular the tenements, hereditaments and appurtenances thereunto belonging, and the rents, issues and profits thereof thereunto belonging or in anywise appertaining unto the Mortgagee, its successors and assigns forever.

And the Mortgagor covenants with the Mortgagee that it is lawfully seized in fee of the premises hereby conveyed, that it has good right to sell and convey the same, as aforesaid, and that it will warrant and defend the title thereto forever against the claims and demands of all persons whomsoever.

The Mortgagor is justly indebted to the Mortgagee in the principal sum of Six Hundred Ten Thousand Five Hundred----- Dollars (\$610,500.00), evidenced by its Note of even date herewith, bearing interest from date on outstanding balances at Eight and One-Half per centum (8-1/2%) per annum, payable in monthly installments beginning on the first day of the month following the date hereof with a final maturity of February 1, 2012, which Note is identified as being secured hereby by a certificate thereon. Said Note and all of its terms are incorporated herein by reference and this conveyance shall secure any and all extensions thereof, however evidenced.

The Mortgagor covenants and agrees as follows:

1. That Mortgagor will pay the Note at the times and in the manner provided therein;
2. That Mortgagor will not permit or suffer the use of any of the property for any purpose other than the use for which the same was intended at the time this Mortgage was executed; See Rider I, Paragraph 1
3. That the Regulatory Agreement, if any, executed by the Mortgagor and the Federal Housing Commissioner, which is being recorded simultaneously herewith, is incorporated in and made a part of this Mortgage. Upon default under the Regulatory Agreement and, upon the request of the Federal Housing Commissioner, the Mortgagee, at its option, may declare the whole of the indebtedness secured hereby to be due and payable;
4. That all rents, profits and income from the property covered by this Mortgage are hereby assigned to the Mortgagee for the purpose of discharging the debt hereby secured. Permission is hereby given to Mortgagor so long as no default exists hereunder, to collect such rents, profits and income for use in accordance with the provisions of the Regulatory Agreement;
5. That upon default hereunder Mortgagee shall be entitled to the appointment of a receiver by any court having jurisdiction, without notice, to take possession and protect the property described herein and operate same and collect the rents, profits and income therefrom;
6. That at the option of the Mortgagor the principal balance secured hereby may be reamortized on terms acceptable to the Federal Housing Commissioner if a partial prepayment results from an award in condemnation in accordance with provisions of paragraph 8 herein, or from an insurance payment made in accordance with provisions of paragraph 7 herein, where there is a resulting loss of project income;
7. That the Mortgagor will keep the improvements now existing or hereafter erected on the mortgaged property insured against loss by fire and such other hazards, casualties, and contingencies, as may be stipulated by the Federal Housing Commissioner upon the insurance of the Mortgage and other hazards as may be required from time to time by the Mortgagee, and all such insurance shall be evidenced by standard Fire and Extended Coverage Insurance Policy or policies, in amounts not less than necessary to comply with the applicable Coinsurance Clause percentage, but in no event shall the amounts of coverage be less than eighty per centum (80%) of the Insurable Values or not less than the unpaid balance of the insured Mortgage, whichever is the lesser, and in default thereof the Mortgagee shall have the right to effect insurance. Such policies shall be endorsed with standard Mortgagee clause with loss payable to the Mortgagee and the Federal Housing Commissioner as interest may appear, and shall be deposited with the Mortgagee;
- That if the premises covered hereby, or any part thereof, shall be damaged by fire or other hazard against which insurance is held as hereinabove provided, the amounts paid by any insurance company in pursuance of the contract of insurance to the extent of the indebtedness then remaining unpaid, shall be paid to the Mortgagee, and, at its option, may be applied to the debt or released for the repairing or rebuilding of the premises;
8. That all awards of damages in connection with any condemnation for public use of or injury to any of said property are hereby assigned and shall be paid to Mortgagee, who may apply the same to payment of the installments last due under said Note, and Mortgagee is hereby authorized, in the name of Mortgagor, to execute and deliver valid acquittances thereof and to appeal from any such award;
9. That, in order more fully to protect the security of this Mortgage, the Mortgagor, together with and in addition to, the monthly payments of interest or principal and interest under the terms of the Note secured hereby, will pay to the Mortgagee on the first day of each month after the date hereof until the said Note is fully paid, the following sums:
  - (a) An amount sufficient to provide the Mortgagee with funds to pay the next mortgage insurance premium if this instrument and the Note secured hereby are insured, or a monthly service charge, if they are held by the Federal Housing Commissioner, as follows:
    - (i) If and so long as said Note of even date and this instrument are insured or are reinsured under the provisions of the National Housing Act, an amount sufficient to accumulate in the hands of the Mortgagee one month prior to its due date the annual mortgage insurance premium, in order to provide such Mortgagee with funds to pay such premium to the Federal Housing Commissioner pursuant to the National Housing Act, as amended, and applicable Regulations thereunder, or
    - (ii) If and so long as said Note of even date and this instrument are held by the Federal Housing Commissioner, a monthly service charge in an amount equal to 1/2 of 1/2% of the average outstanding principal balance due on the Note computed for each successive year beginning with the first day of the month following the date of this instrument, if the Federal Housing Commissioner, is the Mortgagee named herein, or the first day of the month following assignment, if the Note and this instrument are assigned to the Federal Housing Commissioner, without taking into account delinquencies or prepayment;