

and its assigns interest at the rate of twelve (12) per cent. per annum computed semi-annually on said principal note from the date thereof to the time when the money shall be actually paid. Any payments made on account of interest shall be credited in said computation so that the total amount of interest collected shall and not exceed the legal rate of twelve (12) per cent. Seventh:- The said first party agrees to pay all taxes and assessments levied upon said real estate before the same become delinquent also all liens claims adverse titles and encumbrances on said premises and if not paid the holder of this mortgage may without notice declare the whole sum of money herein secured due and collectable at once or may elect to pay such taxes or assessments and be entitled to interest on the same at the rate of twelve (12) per cent. per annum and this mortgage shall stand as security for the amount so paid with such interest.

(Released San Diego 10/17/98) Eighth:- The said first party agrees to keep all buildings fences and other improvements on said real estate in as good repair and condition as the same in at this date and shall permit no waste and especially no cutting of timber except for making and repairing of fences on the place and such as shall be necessary for fire wood for the use of the grantors family: and the commission of waste shall at option of the mortgage render this mortgage due and payable.

Ninth:- And the said first party agrees that in the event of the failure neglect or refusal of said first party to insure the buildings as hereinbefore agreed or to reinsure the same and deliver the policy or policies properly assigned or pledged to the said Lombard Investment Company before noon of the day on which any such policy or policies shall expire then the said second party is hereby authorized and empowered by these presents to insure or reinsure said buildings for said amount in such company or companies as he may select and the said Lombard Investment Company may sign all papers and applications necessary to obtain such insurance in the name, place and stead of the said first party: and it is further agreed in the event of a loss under such policy or policies the said second party shall have full power to demand receive collect and settle the same