

AND THE MORTGAGOR FURTHER COVENANTS AND AGREES AS FOLLOWS:

1. Payment of Principal and Interest. Mortgagor shall promptly pay when due the principal and interest on the indebtedness evidenced by the Note, prepayment and late charges as provided in the Note, and the principal and interest on any advances secured by this Mortgage.

2. Definitions.

(a) The term "Mortgagor" is hereby defined to mean, include and inure to the benefit of, bind and obligate, jointly and severally, the party or parties (if more than one) executing this Mortgage encumbering the property and their successors and assigns, if any such party or parties are corporations; and, the heirs, executors, administrators, and assigns, if any such party or parties are individuals or co-partners.

(b) The term "Mortgagee" shall mean and include Interstate Fire Insurance Company, its successors and assigns.

(c) The term "premises" shall be deemed to mean and include the lands described herein to which Mortgagors shall have fee simple title or a leasehold estate, all improvements on either and any personal property of the character heretofore described thereon or therein.

3. Governmental Charges and Liens. The Mortgagor shall promptly pay when due all and singular the taxes, assessments, water and sewer charges, levies, fines or impositions, other municipal charges, liabilities, obligations and encumbrances of every nature, and ground rents, if any, on said premises, and to promptly furnish the Mortgagee with satisfactory evidence of the payment of same, and if the same be not promptly paid by the Mortgagor, the Mortgagee, its successors or assigns, may at any time pay the same, without in any way waiving or affecting the option of the Mortgagee to foreclose this Mortgage for failure of said Mortgagor to pay the taxes, assessments, water and sewer charges, liens, fines or impositions, other principal charges, liabilities, obligations, and encumbrances of every nature, and ground rents, or without waiving any other rights of the Mortgagee hereunder, and every payment so made by the Mortgagee shall bear interest from the date thereof at ten per cent (10%) per annum until paid, and said advances together with interest thereon shall be due and payable by the Mortgagor to the Mortgagee when the next succeeding payment of interest provided for in this Mortgage and Note which it renews shall become due and payable. The failure of the Mortgagor to pay said taxes, assessments, water and sewer charges, levies, fines or impositions, other municipal charges, liabilities, obligations and encumbrances of every nature and ground rents, and/or the failure of the Mortgagor to repay the Mortgagee for said advances, shall constitute a default hereunder. Mortgagor shall promptly discharge any lien which has priority over this Mortgage.

4. Hazard Insurance. Mortgagor will keep the improvements now existing or hereafter erected on the premises insured as may be required from time to time by the Mortgagee against loss by fire or other hazards, casualties and contingencies in such amounts and for such periods as may be required by the Mortgagee and Mortgagor will promptly pay, when due, the premiums on such insurance. All insurance shall be carried in a company or companies approved by the Mortgagee, the policies and renewals thereof shall be kept by the Mortgagee and all policies shall contain a loss payable clause in favor of and in form acceptable to, the Mortgagee. In case of the pending expiration of any policy, a renewal thereof with receipt for the premium on same shall be delivered to the Mortgagee thirty (30) days before the time of such expiration. In the event of loss, the Mortgagor shall give immediate notice by mail to the Mortgagee who may make proof of loss if not made promptly by the Mortgagor, but the Mortgagee shall have no obligation to make such proof of loss. Each insurance company providing such

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