TO HAVE AND TO HOLD, all and singular, the said premises unto the Mortgagee and the Mortgagee's heirs, successors and assigns forever.

The Mortgagor covenants that he is lawfully seized of the premises hereinabove described and of the estate hereby conveyed and that he has good right and lawful authority to mortgage, grant, convey or encumber the same. The Mortgagor further covenants to warrant and defend all and singular the title to said premises unto the Mortgagee, its successors, heirs and assigns, from and against the Mortgagor and all persons whomsoever lawfully claiming the same or any part thereof.

COVENANTS. The Mortgagor covenants and agrees as follows:

1. **Payment of Principal and Interest.** Mortgagor will promptly pay the principal and interest on the indebtedness evidenced by the said note and the principal of and interest on any future advances secured by this mortgage at the times and in the manner therein provided.

2. **Application of Payments.** All payments received by Mortgagee under the Note and paragraph 1 hereof shall be applied by Mortgagee first in payment of amounts payable to Mortgagee by Mortgagor under paragraph 18 hereof, then to interest payable on the Note, then to the principal of the Note and then to the interest and principal on any future advances.

3. **Liens.** Mortgagor shall pay all taxes, public assessments and other governmental or municipal charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents, if any, when due, directly to the payee thereof. Mortgagor shall promptly furnish to Mortgagee all notices of amounts due under this paragraph, and in the event Mortgagor shall make payment directly, Mortgagor shall promptly furnish to Mortgagee receipts evidencing such payments. Mortgagor shall promptly discharge any lien which has priority over this Mortgage; provided, that Mortgagor shall not be required to discharge any such lien so long as Mortgagor shall agree in writing to the payment of the obligations secured by such lien in a manner acceptable to Mortgagee, or shall in good faith contest such lien by, or defend enforcement of such lien in, legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property of any part thereof.

4. **Hazard Insurance.** Mortgagor will keep the improvements now existing or hereafter erected on the Mortgaged Property insured as may be required from time to time by the Mortgagee against loss by fire and other hazards specified by Mortgagee in an amount not less than the outstanding mortgage debt and in companies acceptable to the Mortgagee. All premiums on insurance policies shall be paid by Mortgagor promptly, when due, and directly to the insurance carrier.

All insurance policies and renewals thereof shall be in form acceptable to Mortgagee and shall include a standard loss payable clause in favor of, and in form acceptable to, the Mortgagee. Mortgagee shall have the right to hold policies and renewals thereof and Mortgagor shall promptly furnish to Mortgagee all renewals notices and all receipts of paid premiums. In the event of loss, Mortgagor shall give prompt notice to the insurance carrier and Mortgagee. Mortgagee may make proof of loss if not made promptly by Mortgagor. Mortgagor does hereby assign to Mortgagee the proceeds of any policy insuring the mortgaged premises and does hereby authorize each insurance company concerned to make payment for a lost directly to the Mortgagee up to the extent of the balance owing on the mortgaged debt.

Unless Mortgagee and Mortgagor otherwise agree in writing, any receipt of insurance proceeds and application of same to the outstanding mortgage indebtedness shall not extend or postpone the due date of the monthly installment referred to in paragraphs 1 and 2 hereof or change the amount of such installments. If under paragraph 15 hereof the property is acquired by Mortgagee, all right, title and interest of Mortgagor in and to any insurance policies and in and to the proceeds thereof resulting from damage to the property prior to the sale or acquisition shall pass to Mortgagee to the extent of the sums secured by this mortgage immediately prior to such sale or acquisition.

5. **Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments.** Mortgagor shall keep the property and all improvements thereon in good repair and shall not commit waste or permit impairment or deterioration of the property and shall comply with the provisions of any lease if this property is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Mortgagor shall perform all of Mortgagor's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the by-laws and regulations of the condominium or planned unit development and constituent documents. If a condominium or planned unit development rider is executed by Mortgagor and recorded together with this Mortgage, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if the rider were a part hereof. In the case of a construction loan, the Mortgagor shall continue construction until completion without interruption, and should he fail to do so, the Mortgagee may, at its option, enter upon said premises, make whatever repairs that are necessary, including the completion of any construction work underway, and charge the expenses for such repairs or the completion of such construction to the Mortgage debt.

6. **Protection of Lender's Security.** If Mortgagor fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Mortgagee's interest in the property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements of proceedings involving a bankrupt or decedent, then Mortgagee at Mortgagee's option, upon written notice to Mortgagor, may make such appearances, disburse such sums and take such action as is necessary to