

The Mortgagor covenants and agrees with the Mortgagee as follows:

1. That the Mortgagor will promptly pay all principal and interest on the indebtedness evidenced by the said note, at the times and in the manner therein provided.

2. That this mortgage shall secure the Mortgagee for such further sums as may be advanced hereafter, at the option of the Mortgagee, for the payment of taxes, insurance premiums, public assessments, repairs or other purposes pursuant to the covenants herein, and that all sums so advanced shall bear interest at the rate of 15 per cent per annum, and shall be payable on demand of the Mortgagee, unless otherwise provided in writing.

3. That the Mortgagor is the lawful owner of the premises above described, has good right and lawful authority to sell, convey, or encumber the same, and that the premises are free and clear of all liens and encumbrances whatsoever, except as noted herein. The Mortgagor further covenants to warrant and forever defend all and singular the mortgaged premises unto the Mortgagee forever, from and against the Mortgagor and all persons whomsoever lawfully claiming the same or any part thereof and agrees that such expenses and fees as may be incurred in the protection of the premises and the maintenance of the lien of this mortgage, including the fees of any attorney employed by the Mortgagee in any litigation or proceeding affecting said premises, shall be paid by the Mortgagor and secured by this instrument.

4. That the Mortgagor will keep the improvements now existing or hereafter erected on the mortgaged premises insured against fire and extended perils in the full amount of any mortgages covering the premises and deliver to Mortgagee policies for such insurance in form and amounts, and written by companies, satisfactory to Mortgagee and payable in case of loss to Mortgagee, full power being hereby given to Mortgagee to settle and compromise claims or bring suit to recover thereunder, to apply the net proceeds therefrom, after deducting all costs of collection, including attorney fees, in reduction of the indebtedness hereby secured or, at its option, toward the repair, reconstruction or restoration of the premises, and in the event of foreclosure to assign each such policy to the transferee of the premises. Mortgagor will provide Mortgagee with 30 days written notice of the cancellation of said insurance.

5. That the Mortgagor will pay all taxes, assessments, water rates, sewer rates and other charges and any prior liens now or hereafter assessed on or levied against the premises or any part thereof; and, on demand of the Mortgagee, will produce to the Mortgagee, not later than ten (10) days before the date on which any taxes, assessments, water and sewer rates and other charges bear interest or penalties, receipts for all such taxes, assessments, water and sewer rates and other charges; and in case of default in the payment thereof as herein provided, it shall be lawful for the Mortgagee, without notice or demand to the Mortgagor, to pay the same or any of them; that the moneys paid by the Mortgagee to discharge of taxes, assessments, water rates, sewer rates and other charges and prior liens shall be a lien on the premises added to the amount of said note or obligation and secured by this mortgage, payable on demand with interest at the rate of 15 per cent per annum from and after maturity from the time of payment of the same.

6. That the Mortgagor will maintain the premises in good condition and repair, will not commit or suffer any waste of the premises, will not remove or permit the removal of any building, improvement or fixture from, or perform or permit any act which would in any way impair the value of the premises, and will comply with, or cause to be complied with, all statutes, ordinances and requirements of any governmental authority relating to the premises; that the Mortgagor will promptly repair, restore, replace or rebuild any part of the premises now or hereafter subject to the lien of this mortgage which may be damaged or destroyed by any casualty whatsoever or which may be affected by any taking by eminent domain by any public or quasi-public authority; that the Mortgagor will complete without interruption any structure at any time in the process of construction on the premises and will pay any debt, claim or other charge for repairs or improvements that may have been made or may hereafter be made on, and which may become a lien against, the premises or any part thereof; in the event of default hereunder the Mortgagee may, at its option, enter upon

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