

For the consideration aforesaid, mortgagor covenants as follows:

1. Mortgagor is the absolute and unconditional owner of the property herein described, has a perfect right to sell and mortgage same free of all encumbrances except:

NONE

and warrants and will forever defend the right and title of the property herein described unto the mortgagee, its successors and assigns, against the claims of all persons whomsoever.

2. Mortgagor will insure, and keep insured against such risks as may from time to time be required by the mortgagee, the property herein described, in such form, in at least such amounts, and in such company or companies, as shall be satisfactory to mortgagee, the loss, if any, to be payable to mortgagee as its interest may appear at the time of the loss, and will deliver to mortgagee a policy or policies of insurance with mortgagee clause satisfactory to mortgagee attached thereto, and will promptly pay when due all premiums for such insurance. If any of the property herein described shall be destroyed or damaged, all amounts received in settlement of the loss may be applied at the option of mortgagee to the reconstruction or repair of the property so destroyed or damaged, or on the indebtedness secured hereby, in such manner as mortgagee in its sole discretion may determine and, unless mortgagee shall determine otherwise, shall be applied first on unmatured principal. Such application shall not thereafter defer the due dates of principal payments contracted to be made, but shall operate to discharge the debt at an earlier date. Mortgagee shall not be obligated to take any action, legal or otherwise, to collect insurance for any loss or damage.

3. Mortgagor will pay all judgments, taxes, levies, assessments and other charges that may be levied or assessed against the property herein described, or that may be or become a lien thereon, and all amounts (principal and interest) constituting, or secured by, a lien or encumbrance against the property herein described, when due and payable, and before they become delinquent, and will, on demand, furnish to mortgagee receipts showing payment thereof.

4. In the event collection of the amounts secured hereby or any portion thereof is made by an attorney by suit or otherwise, mortgagor will pay all costs of collection and of suit, if any, and a reasonable attorney's fee of not less than ten per centum (10%) of the total amount of principal, advances, disbursements and interest due.

5. Mortgagor will pay immediately upon demand by mortgagee any and all attorney's fees and expenses incurred by mortgagee in protecting or defending the title to and mortgagee's right, title, and interest in any or all of the property herein described, and in protecting or defending any or all of said property and mortgagee's right, title and interest therein from loss or injury, and in fixing or collecting or attempting to fix or collect, damages for loss or injury, but mortgagee shall be under no duty to take any such action or to incur any such expense.

6. If any or all of the property herein conveyed, or any right, title, or interest therein, is lost or damaged by condemnation, waste, tortious injury, or otherwise, mortgagor hereby transfers, assigns, and sets over to mortgagee any and all monies awarded, paid, or received, and all awards, verdicts, judgments, and decrees for same. Mortgagee shall be under no obligation to collect or attempt to collect such monies, awards, verdicts, judgments, and decrees, but may in its sole discretion take such steps or action as may to it seem desirable. Any attorney's fees and expenses incurred by or with the consent of mortgagee in fixing or collecting for such loss or damage may be paid from the proceeds collected and received by mortgagee. The net amounts received, after payment of attorney's fees and expenses, shall, in the sole discretion of mortgagee, be applied on the indebtedness hereby secured or delivered to mortgagor on such terms and conditions as mortgagee may fix. Unless mortgagee, in its sole discretion, shall otherwise determine, any amounts applied on the indebtedness hereby secured shall be applied first to the unmatured principal indebtedness, but such application shall not thereafter defer the due dates of the principal payments contracted to be made, but shall operate to discharge the debt at an earlier date.

7. If mortgagor shall fail to procure and maintain insurance on the property herein described as herein agreed, or if, after procuring the same, shall fail to pay the premiums therefor, or if mortgagor shall fail to pay any taxes, liens, levies,