To HAVE AND TO HOLD, all and singular the said premises unto the Mortgagee, its successors and assigns, forever.

The Mortgagor covenants that he is lawfully seized of the premises aforesaid and has good right to convey the same (or such other estate, if any, as is stated herein), and that the premises are free and clear of all liens and encumbrances except as stated herein, and that he will warrant and defend the same, and that the premises are free and clear of all liens and encumbrances except as stated herein otherwise noted. The Mortgagor further covenants to execute such further assurances as may be requisite or desired by the Mortgagee to carry out more effectively the purposes of this mortgage, to perfect the lien hereof upon the premises as herein conveyed, title to which the Mortgagor hereby warrants, and to perfect the assignment hereof of any and all leases of the premises, and will forever defend the premises against all persons lawfully claiming the same or any part thereof.

The Mortgagor covenants and agrees as follows:

1. He will promptly pay the principal of and interest on the indebtedness evidenced by the note, and all other sums as provided in such note, at the time and in the manner therein provided. Privilege is reserved to prepay at any time the entire indebtedness or any part thereof not less than the amount of any installment, or one hundred dollars ($100.00), whichever is less.

2. Together with, and in addition to, the monthly payments of principal and interest payable under the terms of the note secured hereby, he will pay to the Mortgagee as trustee hereunder (unless otherwise stated) on the first day of each month until the said note is fully paid the following sums:

(a) A sum equal to the ground rents, if any, next due on the mortgaged property (all as estimated by the Mortgagee and of which the Mortgagor is notified) less all sums already paid therefor divided by the number of months to elapse prior to the date when such ground rents, taxes and assessments will become delinquent, such sums to be held by Mortgagee in trust to pay said ground rents, taxes and assessments;

(b) The aggregate of the amounts payable pursuant to subparagraphs (a) and (b) of the preceding paragraph shall be paid in a single payment each month, to be applied to the following items in the order stated:

(i) taxes, special assessments, fire and other hazard insurance premiums;

(ii) interest on the note secured hereby; and

(iii) amortization of the principal of said note.

Any deficiency in the amount of any such aggregate monthly payment shall, unless made good by the Mortgagor prior to the due date of the next such payment, constitute an event of default under this mortgage. At Mortgagee's option, Mortgagor will pay a "late charge" not exceeding four cents (4¢) for each dollar (each payment more than fifteen (15) days in arrears to cover the extra expense involved in handling delinquent payments. Mortgagee may collect a fee not to exceed four cents (4¢) for each dollar (each payment more than fifteen (15) days in arrears to cover the extra expense involved in handling delinquent payments.

If the total of the payments made by the Mortgagor under (a) of paragraph 2 preceding shall exceed the amount of payments actually made by the Mortgagee as trustee for taxes or assessments or insurance premiums, as the case may be, such excess shall be credited on subsequent payments to be made by the Mortgagor for such items or, at the option of Mortgagee as trustee, may be refunded to the Mortgagor. If, however, said payments shall not be sufficient to pay such items when the same shall become due and payable, then the Mortgagor shall pay to the Mortgagee as trustee any amount necessary to make up the deficiency. Such payment will be made within thirty (30) days after written notice from the Mortgagee stating the amount of the deficiency, which notice may be given by mail. If all of the indebtedness secured hereby shall be declared due in accordance with the provisions of the note secured hereby, full payment of the amounts payable as provided in paragraph 2 hereof and all payments thereby, the Mortgagee as trustee shall, in computing the amount of such indebtedness, credit to the account of the Mortgagor any credit balance remaining under the provisions of (a) of paragraph 2 hereof. If there shall be a default under any of the provisions of this mortgage resulting in a public sale of the premises covered