

**My Right To Mortgage The Property And My Obligation To Defend Ownership Of The Property**

I promise that except for the "exceptions" listed in any title insurance policy which insures your rights in the Property and the "exceptions" listed below:

- (A) I lawfully own the Property in fee simple;
- (B) I have the right to mortgage, grant and convey the Property to you, your successors and assigns;
- (C) There are no outstanding liens, claims or charges against the Property; and
- (D) There are no present violations of any restrictions which apply to the Property.

Exceptions Banker's Mortgage, Charlotte, North Carolina

I give a general warranty of title to you. This means that I will be fully responsible for any losses which you suffer because someone other than myself has some of the rights in the Property which I promise that I have. I promise that I will defend the title to the Property against any and all claims of such rights.

**Promises**

I promise and I agree with Lender as follows:

**1. Compliance With Condominium Or Planned Unit Development Documents**

If the Property is a unit in a condominium project or a planned unit development, I will fulfill all of my obligations under the declaration, by-laws, regulations, and other documents that create or govern the condominium project or planned unit development, and I will not take any action or consent to any action which would adversely affect your rights as the holder of this Mortgage without your prior written consent.

**2. My Obligation To Pay Charges And Assessments And To Satisfy Claims Against The Property**

I will pay all taxes, assessments, fines, and any other charges that may be imposed on the Property. I will do this by making payments, when they are due, directly to the persons entitled to them. (In this Mortgage, the word "person" means any person, organization, governmental authority, or other party.) If you request me to do so, I will give you a receipt which shows that I paid such taxes, assessments, fines and charges.

**3. My Obligation To Obtain And To Keep Hazard Insurance On The Property**

I will obtain hazard insurance to cover all buildings and other improvements that now are or in the future will be located on the Property. The insurance must cover loss or damage caused by fire, hazards normally covered by "extended coverage" hazard insurance policies, and other hazards for which you require coverage. The insurance must be in the amounts and for the periods of time required by you.

I may choose the insurance company, but my choice is subject to your approval. You may not refuse to approve my choice unless the refusal is reasonable. All of the insurance policies and renewals of those policies must include what is known as a "standard mortgagee clause" to protect you. The form of all policies and the form of all renewals must be acceptable to you. You will have the right to hold the policies and renewals.

I will pay the premiums on the insurance policies by paying the insurance company directly when the premium payments are due. If you require, I will promptly give you all receipts of paid premiums and all renewal notices that I receive.

If there is a loss or damage to the Property, I will promptly notify the insurance company and you. If I do not promptly prove to the insurance company that the loss or damage occurred, then you may do so.

The amount paid by the insurance company is called "proceeds". I agree that you can use the proceeds either to repair or to restore the damaged Property or to reduce the amount that I owe to you under the Note and this Mortgage.

If any proceeds are used to reduce the amount which I owe to you under the Note and this Mortgage, that use will not delay the due date or change the amount of any of my payments under the Note.

**4. My Obligation To Maintain The Property And To Comply With Restrictions**

I will keep the Property in good repair. I will not destroy, damage or substantially change the Property, and I will not allow the Property to deteriorate. I will comply with any applicable restrictions which govern the Property.

**5. Your Right to Take Action To Protect The Property**

If I fail to pay all necessary taxes, insurance premiums, assessments, fines, and other charges in connection with the Property, you may pay them for me. If you do, I will repay you for these amounts including a finance charge or interest at the rate of \_\_\_\_ % per year. Any such amounts which you pay for me can be added to the debt secured by this Mortgage.

Although you may take action under this Paragraph 5, you do not have to do so.

**6. Your Rights To Inspect The Property**

You, and others authorized by you, may enter on and inspect the Property at any reasonable times.

**7. Condemnation Of The Property**

I give you the right to any money paid me which may be necessary to repay the amount I owe you, if any government agency or anyone else authorized by law takes the Property or any part of it.

If any such money is used to reduce the amount which I owe you under the Note and this Mortgage, that use will not delay the due date or change the amount of any of my payments under the Note.

**8. Continuation Of My Obligations**

You may allow a person who takes over my rights and obligations to delay or to change the amount of the payments due under the Note. Even if you do this, however, that person and I will both still be fully obligated under the Note and under this Mortgage unless the conditions stated in paragraph 14 below, if applicable, have been met.

You may allow those delays or changes for a person who takes over my rights and obligations, even if you are requested not to do so. You will not be required to bring a lawsuit against such a person for not fulfilling obligations under the Note or under this Mortgage, even if you are requested to do so.

**9. Continuation Of Your Rights**

Even if you do not exercise or enforce any right of yours under this Mortgage or under the law, you will still have all of those rights and may exercise and enforce them in the future.

**10. Your Ability To Enforce More Than One Of Your Rights**

Each of your rights under the Note and this Mortgage is separate. You may exercise and enforce one or more of those rights, as well as any of your other rights under the law, one at a time or all at once.

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