

Mortgagor further covenants and agrees as follows:

1. Mortgagor does hereby warrant and will forever defend all and singular the Premises unto Mortgagee against Mortgagor and against every person whomsoever lawfully claiming or to claim the same, or any part thereof.

2. To pay all sums secured hereby when due.

3. To pay, when due, all taxes and assessments of every type or nature levied or assessed against the premises and any claims, liens or encumbrances against the Premises which may be or become prior to this Mortgage.

4. To make monthly deposits with Mortgagee, in a separate non-interest bearing account, together with and in addition to interest and principal, of a sum equal to one-twelfth (1/12) of the yearly taxes and assessments which may be levied against the Premises and (if so required) one-twelfth (1/12) of the yearly premiums for insurance thereon. The amount of such taxes, assessments and premiums, when unknown, shall be estimated by Mortgagee. Such deposits shall be used by Mortgagee to pay such taxes, assessments and premiums when due. Mortgagor shall promptly provide Mortgagee with tax notices upon receipt. Any insufficiency of such account to pay such charges when due shall be paid by Mortgagor to Mortgagee on demand. If, by reason of any default by Mortgagor under any provision of this Mortgage, Mortgagee declares all sums secured hereby to be due and payable, Mortgagee may then apply any funds in said account against the entire indebtedness secured hereby. The enforceability of the covenants relating to taxes, assessment and insurance premiums herein otherwise provided shall not be affected except insofar as those obligations have been met by compliance with this paragraph. Mortgagee may, from time to time, at its option, waive and after any such waiver, reinstate any or all provisions hereof requiring such deposits, by notice to Mortgagor in writing. While any such waiver is in effect, Mortgagor shall pay taxes, assessments and insurance premiums as herein elsewhere provided.

5. This Mortgage and the Note are subject to the express condition that at no time shall Mortgagor be obligated or required to pay interest on the principal balance due under the Note at a rate which could subject the holder hereof to either civil or criminal liability as a result of being in excess of the maximum interest rate which Mortgagor is permitted by law to contract or agree to pay. If by the terms of this Mortgage or the Note, Mortgagor is at