

To Have and to hold, all that together with the Mortgage, its successors and assigns forever.

The Mortgagee covenants that he is holding the premises described in fee simple absolute (or such other estate, if any, as is stated in the Mortgage), that he has good right and lawful authority to sell, convey, or otherwise dispose, and that all persons are free and clear of all liens and encumbrances whatsoever except as herein otherwise stated. The Mortgagee further covenants to warrant and forever defend all and singular the premises to have and to hold, unto the Mortgagee, his heirs and assigns forever, from and against the Mortgagor and all persons whomsoever lawfully claiming the same against the Mortgagee.

The Mortgagee shall pay the taxes as follows:

1. The Mortgagee shall pay the principal of and interest on the indebtedness evidenced by the said note, at the time and in the manner therein provided. Privilege is reserved to prepay at any time, without premium or fee, the entire indebtedness or any part thereof not less than the amount of one 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, on the first day of each month until the said note is fully paid:

(a) A sum equal to the greater of: (i) any sum due plus the premiums that will next become due and payable on policies of fire and other hazard insurance covering the mortgaged property, plus taxes and assessments next due on the mortgaged property (all as determined by the Mortgagee, and of which the Mortgagor is notified) less all sums already paid therefor divided by the number of months to elapse before one month prior to the date when such ground rents, premiums, taxes and assessments will become delinquent, such sums to be held by Mortgagee in trust to pay said ground rents, premiums, taxes and special assessments.

(b) The aggregate of the amounts payable pursuant to subparagraph (a) and those payable on the note secured hereby, 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 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, Mortgagee will pay a "late charge" not exceeding four per centum (4%) of any installment when paid more than fifteen (15) days after the due date thereof, to cover the extra expense involved in handling delinquent payments, but such "late charge" shall not be payable out of the proceeds of any sale made to satisfy the indebtedness secured hereby, unless such proceeds are sufficient to discharge the entire indebtedness and all proper costs and expenses secured thereby.

3. 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 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. If, however, such monthly 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 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 at any time the Mortgagor shall tender to the Mortgagee, in accordance with the provisions of the note secured hereby, full payment of the entire indebtedness represented thereby, the Mortgagee shall, in computing the amount of such tender, make 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 foreclosure of the premises covered hereby, or if