

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

The Mortgagor covenants that he is lawfully seized of the premises hereinabove described in fee simple absolute, that he has good right and lawful authority to sell, convey or encumber the same; that the premises above described are free and clear of all liens and encumbrances, except the lien of this mortgage. And the Mortgagor does hereby bind himself, his heirs, executors, and administrators to warrant and forever defend all and singular the said premises unto the said Mortgagee, its successors and assigns, from and against the Mortgagor, his heirs, executors and administrators and all others whomsoever lawfully claiming or to claim the same or any part thereof.

This mortgage is made subject, however, to the following additional covenants and agreements, that is to say:

1. The Mortgagor will promptly pay the principal of and interest on the debt evidenced by said note and this mortgage, at the time and in the manner therein stipulated and will pay the Mortgagee a "late charge" not to exceed four cents (4c) for each one dollar (\$1.00) of each payment made more than fifteen (15) days after its due date, to cover the additional expense involved in handling delinquent payments. In no event shall the "late charge" stipulated in this paragraph, when added to the rate of interest charge, exceed the legal rate of interest permitted by law.
2. The Mortgagor will keep said premises and improvements thereon in good condition and repair and will not permit any lien, which might take precedence over the lien of this mortgage, to accrue and remain on said premises, or any part thereof, or on the improvements thereon, and will neither permit nor perform any act which may in any way impair the security given by this instrument.
3. The Mortgagor shall and will forthwith insure the house and buildings now or hereafter erected on said premises and keep the same insured against loss or damage by fire, with extended coverage and for such other hazards as the Mortgagee may require in companies satisfactory to the Mortgagee in a sum satisfactory to the Mortgagee and assign and deliver the said policy or policies of insurance and renewals thereof to the said Mortgagee, its successors or assigns, with loss, if any, payable to the Mortgagee as its interest may appear under Standard Mortgage Clause without contribution. In the event of loss, Mortgagor will give immediate notice by mail to the Mortgagee, who may make proof of loss if not made promptly by Mortgagor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to the Mortgagee instead of the Mortgagor and Mortgagee jointly. The insurance proceeds or any part thereof may be applied by the Mortgagee, at its option, either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. If the Mortgagor fails to furnish said insurance herein provided, then the said Mortgagee, its successors and assigns, may cause said property to be insured and reimburse itself for the premium and expenses of such insurance under this mortgage. In the event of foreclosure of this mortgage or other transfer of title to the said property in extinguishment of the indebtedness secured hereby, all interest of Mortgagor to any insurance policies shall pass to the purchaser.
4. In order more fully to protect the security of this mortgage, together with and in addition to the monthly payments of principal and interest payable under the terms of said note and this mortgage, and at the same time as the payments under the said note are due and until said debt is fully paid, the Mortgagor agrees to pay to the Mortgagee on the first day of each month a sum equal to one-twelfth (1/12) of the known or estimated yearly taxes and assessments, levied or assessed and next to become due against the herein described premises, and also one-twelfth (1/12) of the known or estimated yearly premiums that will become due and payable to maintain in force the insurance on the premises herein described. Such estimates shall be made by the Mortgagee, its successors or assigns. The Mortgagee shall hold such monthly payments in trust, without obligation to pay interest thereon, to pay such taxes, assessments and insurance premiums when due. If the total of monthly payments as made under this paragraph shall exceed the amounts of payments actually made by the Mortgagee for insurance premiums, taxes and assessments, as the case may be, such excess shall be credited on subsequent monthly payments of the same nature, but if the total of such monthly payments so made under this paragraph shall be insufficient to pay insurance premiums, taxes and assessments when due, then the Mortgagor shall upon demand pay to the Mortgagee the amount necessary to make up the deficiency. If, in accordance with the terms and provisions of the note secured hereby, the Mortgagor shall make full payment of the entire indebtedness of the note secured hereby, the Mortgagee will refund the balance of funds accumulated under the provisions of this paragraph. To the extent that all the provisions of this paragraph for such payments of insurance premiums, taxes and assessments to the Mortgagee are complied with, the Mortgagor shall be relieved from compliance with such covenants herein, as provide for the payment of insurance premiums, taxes and assessments by the Mortgagor; but nothing in this paragraph contained shall be construed as in anywise limiting the right of the Mortgagee, at its option, to pay any insurance premiums, taxes and assessments when due. Further, in the event of default under the provisions of the mortgage resulting in a public sale of the premises covered hereby, or if the property is otherwise acquired after default, the Mortgagee shall apply,