

AND TOGETHER WITH all of the rights of the Borrower and Lowndes further to encumber said property to secure indebtedness, or to convey the said property so long as any sums secured hereby remain unpaid, without the written consent of the Mortgagee first had and obtained, any such further encumbrance or conveyance without such written consent to be null, void and of no force and effect.

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

And the Borrower and Lowndes covenant that they are lawfully seized of the premises hereinabove described in fee simple absolute; that they have good right and are lawfully authorized to sell, convey or encumber the same, and that the premises are free and clear of all liens and encumbrances except as provided herein. The Borrower and Lowndes further covenant to warrant and forever defend all and singular the said premises unto the Mortgagee forever from and against the Borrower and Lowndes and all persons whomsoever lawfully claiming the same or any part thereof.

And the Borrower does hereby covenant and agree (which covenants and agreements are solely by Borrower except where Lowndes' name is expressly included, in which event the covenants and agreements are by both) with Mortgagee as follows:

ARTICLE I

First: PAYMENT OF INDEBTEDNESS. The Borrower will pay the note according to the tenor thereof and all other sums secured hereby promptly as the same shall become due.

Second: MONTHLY DEPOSITS. To further secure the payment of the taxes and assessments hereinafter referred to and the premiums on the hazard insurance hereinafter referred to, and upon the request of the Mortgagee, the Borrower will deposit with the Mortgagee, on the due date of each installment under the note, a sum which, in the estimation of the Mortgagee, shall be equal to one-twelfth of the annual taxes, assessments and hazard insurance premiums; said deposits to be held by the Mortgagee, free of interest, and free of any liens or claims on the part of creditors of the Mortgagor and as part of the security of the Mortgagee and to be used by the Mortgagee to pay current taxes and assessments and hazard insurance premiums on the premises as the same accrue and are payable. Said deposits shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of the Mortgagee. If said deposits are insufficient to pay the taxes and assessments and hazard insurance premiums in full as the same become payable, the Borrower will deposit with the Mortgagee such additional sum or sums as may be required in order for the Mortgagee to pay such taxes and assessments and hazard insurance premiums in full. Upon any default in the provisions of this mortgage or the note, the Mortgagee may, at its option, apply any money in the fund resulting from said deposits to the payment of the indebtedness secured hereby in such manner as it may elect.

Third: TAXES, LIENS AND OTHER CHARGES.

(a) Borrower and Lowndes agree that in the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation, subsequent to the date hereof, in any manner changing or modifying the laws now in force governing the taxation of debts secured by mortgages or the manner of collecting taxes so as to affect adversely the Mortgagee, the Borrower will promptly pay any such tax; if the Borrower fails to make such prompt payment or if any such state, federal, municipal or other governmental law, order, rule or regulation prohibits the Borrower from making such payment or would penalize the Mortgagee if the Borrower makes such payment, then the entire balance of the principal sum secured