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The Mortgagors and the Mortgagee have entered into a construction loan agreement, dated December 3, 1974, and it is understood and agreed that a default by the Mortgagee under the terms and conditions thereof shall be deemed to be a default under the terms of this mortgage.

TOGETHER with all and singular the rights, members, hereditaments, and appurtenances to the said premises belonging or in anywise incident or appertaining. And it is agreed that all heating, cooling, plumbing, lighting, gas and electrical fixtures and/or equipment now or hereafter attached to or used in connection with said real estate are and shall be deemed to be fixtures and a part of said real estate.

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

The Mortgagor covenants that he is lawfully seized of the premises described above in fee simple absolute; that he has good right and lawful authority to sell, convey, or encumber the same; and that the premises are free and clear of all liens and encumbrances whatsoever. The Mortgagor further covenants to warrant and forever defend all and singular the said premises unto the Mortgagee, its successors and assigns, from and against the Mortgagor, and his heirs, and against every person lawfully claiming or to claim the same or any part thereof.

The Mortgagor covenants and agrees:

1. To pay the note secured hereby as provided therein.
2. To keep the buildings erected on the premises above described in good repair at all times.
3. To pay all taxes, charges and assessments of every kind and nature that may be levied or charged on the premises described above, whether the same be for State, County or City purposes, as soon as the same may be due, collectible and payable, and to immediately deliver to the Mortgagee, the receipts of the proper officers showing payment of the same.
4. To keep the improvements on the property described above constantly insured against loss by fire, and if required by the Mortgagee, against loss by reason of any other cause, in an insurance company or companies satisfactory to the Mortgagee, in such sum as shall be satisfactory to the Mortgagee, with loss payable to the Mortgagee under New York Standard Mortgage Clause, with contribution clause stricken, and to deliver every such policy to the Mortgagee. The proceeds from said insurance, if any loss occurs, shall be applied to the payment of the indebtedness hereby secured or to the rebuilding or repair of the improvements damaged or destroyed, as the Mortgagee may elect and direct.
5. To procure or cause to be procured from the Mortgagee or from some other insurance company satisfactory to the Mortgagee a policy or policies of life insurance of a kind satisfactory to the Mortgagee, in an amount satisfactory to the Mortgagee, on the life of some person acceptable to the Mortgagee as an insurance risk, and to pay or cause to be paid as they become due all premiums on said policy or policies and, as additional collateral for the indebtedness secured hereby, to keep said policy or policies constantly assigned to the Mortgagee, in accordance with the terms of a form of assignment satisfactory to the Mortgagee.
6. To keep the above described property free and clear of all liens and encumbrances which may by law have priority over the lien of this mortgage.

In the event of the failure of the Mortgagor to pay all taxes, charges and assessments, or to procure and pay the premiums on said hazard or life insurance, or to pay off and remove all liens and encumbrances which may by law have priority over this mortgage, or to maintain said property in good repair, as provided above, the Mortgagee shall have the right, at its option, to pay said taxes, charges and assessments and all penalties and interest thereon and to pay for or procure and pay for said insurance and to pay off and remove said encumbrances and to have made and pay for such repairs, and all amounts so expended by the Mortgagee for taxes, charges, assessments, penalties, interest, insurance premiums, removal of liens, repairs, and other expense, may be charged hereunder as principal money bearing interest from the date of expenditure at the rate of 12 per cent ~~10%~~ per annum, payable when the next succeeding installment of interest provided by the note secured by this mortgage comes due, which shall with the interest thereon be secured by this instrument; but by the payment of any sum hereunder or the performance of any act required of the Mortgagor hereunder, the Mortgagee will not be held to have waived any rights accruing to it because of non-payment or non-performance thereof by the Mortgagor, including specifically, but not exclusively, the right, at its option, to foreclose this mortgage.

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