To Have and to Hold, all and singular the said property unto the Mortgagee, its successors and assigns forever.

The Mortgagor covenants that he is lawfully seized of the premises hereinabove described in fee simple absolute (or such other estate, if any, as is stated hereinbefore), 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 except as herein otherwise recited. The Mortgagor further covenants to warrant and forever defend all and singular the premises as herein conveyed, unto the Mortgagee forever, from and against the Mortgagor and all persons whomsoever lawfully claiming the same or any part thereof.

The Mortgagor covenants and agrees as follows:

1. He will promptly 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, xxxxxxxxxxxxxxxxxxxxxxxxxxxx and in accordance with the amortization schedule.

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 as trustee (under the terms of this trust as hereinafter stated) on the first day of each month until the said note is fully paid:

(a) A sum equal to the ground rents, if any, next 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 estimated 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 definiency 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, Mortgagor 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 as trustee 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 or, at the option of Mortgagee as trustee, may be refunded to the Mortgagor. 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 as trustee 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 as trustee shall, in computing the amount of such indebtedness, credit 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 public sale of the premises covered

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