

including attorneys' fees, appraisals, inspections and any other such costs; second, to pay current or past due interest; third, to pay the remaining principal due on the note secured hereby; fourth, any remaining sums to be paid to the Mortgagors, their heirs, legal representatives or assigns as their interests may appear.

4. That no extension of the time for payment of any indebtedness secured by this mortgage, given by Mortgagee or the holder of the note secured hereby, to any successor in interest of the Mortgagors, shall operate to release in any manner the liability of the Mortgagors to pay the same.

5. To notify Mortgagors thirty (30) days in advance of any lease of the premises; to permit the Mortgagee to inspect the premises upon five (5) days prior written notice to Mortgagors; to obey all ordinances, laws and statutes which relate to or affect the premises; not to assign the mortgage without the written approval of Mortgagee.

6. To keep in effect, so long as any amount remains due hereunder, a policy of insurance with fire and extended coverage, and in an amount at least equal to the balance remaining due hereunder; said policy shall contain the usual clause making the same payable to Mortgagee as its interest may appear; to deliver to the Mortgagee the original policy of insurance or a certificate showing said policy to be in force and payable to Mortgagee as its interest may appear; to establish an escrow account for the purpose of paying taxes and insurance premiums if requested to do so by Mortgagee in writing.

7. Mortgagors covenant that they are lawfully seized of the mortgaged premises in fee simple; that they have a good right to convey the same; that the mortgaged premises are free from all liens and encumbrances; and that the Mortgagors will warrant and defend the title to the mortgaged premises against all claims.

IT IS MUTUALLY AGREED AS FOLLOWS:

- a. That in the event of loss or damage to the improvements upon said premises by fire or tornado, all sums payable under any insurance policies insuring any or all of the parties hereto against such loss or damage, but not in excess of the indebtedness secured by this mortgage and then unpaid, shall be paid to Mortgagee, and at its option may be applied to the payment of such indebtedness or be released for the repairing or rebuilding of the property damaged.
- b. That if the mortgaged premises, or any part thereof, are taken or damaged by condemnation proceedings under right of eminent domain or in any other manner, Mortgagee shall be entitled to receive all compensation, damages, awards, or other relief; and Mortgagors hereby assign to Mortgagee all such proceeds to be applied on the indebtedness secured hereby after deducting therefrom all expenses incurred, including attorneys' fees; and Mortgagee shall be authorized, at its option, to commence, appear in, and/or prosecute in its own name any action or proceeding or to make any compromise or settlement in connection with such taking or damage.
- c. That in the event Mortgagee pays any prior lien from the proceeds of this mortgage, Mortgagee shall be subrogated to the rights of the holder of such prior lien as fully as if such lien had been assigned to Mortgagee.
- d. That the covenants and agreements herein contained shall bind, and as the case may require, inure to the benefit of the heirs, executors, administrators, successors and assigns of the parties hereto.

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