

TO HAVE AND TO HOLD to and singular the Beneficiary, unto Mortgagee, with covenants, conditions and exceptions, that Mortgagee shall have and enjoy the same unto and after the death of Mortgagee, nevertheless

MORTGAGOR covenants that Mortgagee is lawfully seized of the Premises, in fee simple absolute, that Mortgagee has good right and is lawfully authorized to sell, convey or encumber the same, and that the Premises is free and clear of all encumbrances except as expressly provided herein. Mortgagee further covenants to warrant and forever defend in and singular the Premises unto Mortgagee and the successors or assigns of Mortgagee from and against Mortgagee and all persons whatsoever lawfully claiming the same or any part thereof.

PROVIDED ALWAYS, nevertheless, and it is the true intent and meaning of Mortgagee and Mortgagee, that if Mortgagee pays or causes to be paid to Mortgagee the debt secured hereby, the estate hereby granted shall cease, terminate and be utterly null and void, otherwise said estate shall remain in full force and effect.

IT IS AGREED that Mortgagee shall be entitled to hold and enjoy the Premises until a Default as herein defined has occurred.

MORTGAGOR further covenants and agrees with Mortgagee as follows:

**1. Assignment of Rents and Profits.** As further security for all sums secured by this Mortgage, Mortgagee assigns to Mortgagee all rents and profits arising from the Premises, provided, however, that so long as no Default as hereinafter defined has occurred, Mortgagee shall be entitled to collect and retain all such rents and profits as the sole property of Mortgagee without accounting to Mortgagee therefor.

**2. Maintenance.** Mortgagee will maintain the Premises in good condition and repair and will neither permit nor allow waste thereof. Mortgagee will promptly repair or restore any portion of the Premises which is damaged or destroyed by any cause whatsoever and will promptly pay when due all costs and expenses of such repair or restoration. Mortgagee will not remove or demolish any improvement or fixture which is now or hereafter part of the Premises and will cut no timber on the Premises without the express written consent of Mortgagee. Mortgagee shall be entitled to specific performance of the provisions of this paragraph.

**3. Insurance.** Mortgagee will keep all improvements and fixtures which are now or hereafter part of the Premises insured by such company or companies as Mortgagee may reasonably approve for the full insurable value thereof against all risks including, if coverage is available, flood and earthquake. Such insurance will be payable to Mortgagee as the interest of Mortgagee may appear pursuant to the New York standard form of mortgagee clause or such other form of mortgagee clause as may be required by the Mortgagee and will not be cancelable by either the insurer or the insured without at least ten (10) days prior written notice to Mortgagee. Mortgagee hereby assigns to Mortgagee the right to collect and receive any indemnity payment otherwise owed to Mortgagee upon any policy of insurance insuring any portion of the Premises, regardless of whether Mortgagee is named in such policy as a person entitled to collect upon the same. Any indemnity payment received by Mortgagee from any such policy of insurance may, at the option of Mortgagee, (i) be applied by Mortgagee to payment of any sum secured by this Mortgage in such order as Mortgagee may determine or (ii) be applied in a manner determined by Mortgagee to the replacement, repair or restoration of the portion of the Premises damaged or destroyed or (iii) be released to Mortgagee upon such conditions as Mortgagee may determine or (iv) be used for any combination of the foregoing purposes. No portion of any indemnity payment which is applied to replacement, repair or restoration of any portion of the Premises or which is released to Mortgagee shall be deemed a payment against any sums secured by this Mortgage. Mortgagee will keep the Premises continuously insured as herein required and will deliver to Mortgagee the original of each policy of insurance required hereby. Mortgagee will pay each premium coming due on any such policy of insurance and will deliver to Mortgagee proof of such payment at least ten (10) days prior to the date such premium would become overdue or delinquent. Upon the expiration or termination of any such policy of insurance, Mortgagee will furnish to Mortgagee at least ten (10) days prior to such expiration or termination the original of a renewal or replacement policy of insurance meeting the requirements hereof. If Mortgagee fails to insure the Premises as herein required, Mortgagee may after giving ten (10) days written notice to Mortgagee so insure the Premises in the name of Mortgagee or in the name of Mortgagee or both, and the premiums for any such insurance contracted by Mortgagee shall be the obligation of Mortgagee. Upon foreclosure of this Mortgage, all right, title and interest of Mortgagee in and to any policy of insurance upon the Premises which is in the custody of Mortgagee, including the right to unearned premiums, shall vest in the purchaser of the Premises at foreclosure, and Mortgagee hereby appoints Mortgagee as the attorney in fact of Mortgagee to assign all right, title and interest of Mortgagee in and to any such policy of insurance to such purchaser. This appointment is coupled with an interest and shall be irrevocable.

**4. Taxes and Assessments.** Mortgagee will pay all taxes, assessments and other charges which constitute or are secured by a lien upon the Premises which is superior to the lien of this Mortgage and will deliver to Mortgagee proof of payment of the same not less than ten (10) days prior to the date the same becomes delinquent, provided, however, that Mortgagee shall be entitled by appropriate proceedings to contest the amount or validity of such tax, assessment or charge so long as the collection of the same by foreclosure of the lien upon the Premises is stayed during the pendency of such proceedings and Mortgagee deposits with the authority to which such tax, assessment or charge is payable or with Mortgagee appropriate security for payment of the same, together with any applicable interest and penalties, should the same be determined due and owing.

**5. Expenditures by Mortgagee.** If Mortgagee fails to make payment for restoration or repair of the Premises, for insurance premiums or for taxes, assessments or other charges as required in this Mortgage, Mortgagee may, but shall not be obligated to, pay for the same, and any such payment by Mortgagee will be secured by this Mortgage and have the same rank and priority as the principal debt secured hereby and bear interest from the date of payment at the legal rate. Payments made for taxes by Mortgagee shall be a first lien on the Premises to the extent of the taxes so paid with interest from the date of payment, regardless of the rank and priority of this Mortgage. Mortgagee shall pay to Mortgagee in cash on demand an amount equal to any payment made by Mortgagee pursuant to this paragraph plus interest thereon as herein provided.

**6. Condemnation.** Mortgagee shall be entitled to be made a party to and to participate in any proceeding, whether formal or informal, for condemnation or acquisition pursuant to power or eminent domain of any portion of the Premises. Mortgagee hereby assigns to Mortgagee the right to collect and receive any payment or award to which Mortgagee would otherwise be entitled by reason of condemnation or acquisition pursuant to power or eminent domain of any portion of the Premises. Any such payment or award received by Mortgagee may, at the option of Mortgagee, (i) be applied by Mortgagee to payment of any sums secured by this Mortgage in such order as Mortgagee may determine or (ii) be applied in a manner determined by Mortgagee to the replacement of the portion of the Premises taken and to the repair or restoration of the remaining portion of the Premises or (iii) be released to Mortgagee upon such conditions as Mortgagee may determine or (iv) be used for any combination of the foregoing purposes. No portion of an indemnity payment which is applied to replacement, repair or restoration of any portion of the Premises or which is released to Mortgagee shall be deemed a payment against any sums secured by this Mortgage.

**7. Transfer.** At the option of the Mortgagee, the indebtedness secured by this Mortgage shall become due and payable if, without the written consent of the Mortgagee, the Mortgagee shall convey away the mortgaged premises, or if the title shall become vested in any other person in any manner whatsoever other than by death of the Mortgagee. It is understood and agreed that in consideration for the consent of the Mortgagee to any transfer of title to the mortgaged premises, the Mortgagee at its option may charge a loan transfer fee and/or require changes in the rate of interest, term of loan, monthly payments of principal and interest and other terms and conditions of this Mortgage and/or the Note secured hereby.

- 8. Default.** The occurrence of any of the following events shall be deemed a Default under this Mortgage:
- (a) failure of Mortgagee to pay any instalment of principal or interest upon the Note or Notes hereby secured when due;
  - (b) failure of Mortgagee to pay any other sum secured by this Mortgage when due;
  - (c) failure of Mortgagee to observe or perform any covenant or agreement set forth in this Mortgage or in any loan agreement entered into between the Mortgagee and Mortgagee with respect to the indebtedness hereby secured within ten (10) days following the giving of notice by Mortgagee to Mortgagee to observe or perform the same; or
  - (d) adjudication of Mortgagee as bankrupt, written admission by Mortgagee of an inability to pay the debts of Mortgagee as they mature, assignment of the assets of Mortgagee for the benefit of creditors, request or petition by Mortgagee for the appointment of a receiver, trustee or conservator of the assets of Mortgagee or for reorganization or liquidation of Mortgagee, or acquiescence by Mortgagee to any such request or petition made by another person.

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