

Mortgagor does hereby assign and set over to Mortgagee all rents and other income from the above mortgaged property hereafter accruing as additional security for the indebtedness and any and all sums hereby secured, also for the purpose of keeping said property in proper repair; and Mortgagee is given a prior and continuing lien thereon. Mortgagor does appoint Mortgagee its attorney to collect such rents and other income with or without suit, and to apply the same, less expenses of collection, to said indebtedness, to any and all sums hereby secured and to repairs in such manner as Mortgagee may elect; provided, that until there be a default under the terms of this mortgage, Mortgagor may continue to collect and enjoy said rents and other income as they fall due without accountability to Mortgagee.

And, so long as any portion of the indebtedness hereby secured remains unpaid, Mortgagor warrants and covenants to and with Mortgagee:

WITH RESPECT TO TAXES, OTHER LIENS, AND INSURANCE:

(a) That Mortgagor will pay all taxes, charges and assessments of every kind and nature that may be levied or charged against the hereinabove described real and personal property and fixtures as soon as same may be payable, and after payment shall promptly furnish Mortgagee with proof of payment, and will furnish to Mortgagee all tax and insurance premium notices at least thirty (30) days prior to the date payment is due thereon.

(b) That Mortgagor will effect and keep in force in such amounts as Mortgagee may require and with an insurance company or companies approved by Mortgagee insuring the premises against loss by fire, lightning, windstorm, hail, explosion, vandalism, malicious mischief and such other casualties and hazards as are covered by such insurance and liability insurance in such reasonable amount as is satisfactory to Mortgagee. The originals of all policies covering the premises shall be deposited with Mortgagee and shall provide that in the event of loss the proceeds therefrom (other than from liability insurance) shall be first payable to Mortgagee. Renewals of such policies (or appropriate certificates evidencing renewals) shall be delivered to Mortgagee at least fifteen (15) days before any such insurance shall expire, together with satisfactory evidence of payment of all premiums. Except with respect to liability insurance policies, Mortgagee shall have the right to demand, receive and collect any and all monies becoming payable under the insurance policies, and, at its option, may apply the same to the payment of principal or interest or other charges secured hereby in such order and amounts as Mortgagee may determine, whether then due or not, or said monies may be used to discharge in whole or in part any one or more of the covenants or agreements of this mortgage or may be used to replace or restore destroyed or damaged buildings and improvements to a condition satisfactory to Mortgagee or may be released to Mortgagor, and any one or more of the preceding alternatives may be elected by Mortgagee in such order as it may determine. In the event of sale under this mortgage, or other transfer of title to the property covered hereby in extinguishment of the indebtedness secured hereby, all right, title and interest of Mortgagor in and to any insurance policies then in force and concerning the premises shall pass to the purchaser or Mortgagee and such new owner shall incur no obligation of payment or reimbursement for unearned premiums.

PERRY, PATRICK, FARMER & NICHOLSON, CHARLOTTE, N. C.