

TO HAVE AND TO HOLD all and singular the Property unto Mortgagee and the heirs, successors and assigns of Mortgagee forever.

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

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

IT IS AGREED that Mortgageor shall be entitled to hold and enjoy the Property until a Default as herein defined has occurred. It is further agreed that Mortgageor shall have the right to prepay the debt in full at any time without penalty.

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, Mortgageor assigns to Mortgagee all rents and profits arising from the Property; provided, however, that so long as no Default as hereinafter defined has occurred, Mortgageor shall be entitled to collect and retain all such rents and profits as the sole property of Mortgageor without accounting to Mortgagee therefor.

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

3. **Insurance.** Mortgageor will keep all improvements and fixtures which are now or hereafter part of the Property 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. Mortgageor hereby assigns to Mortgagee the right to collect and receive any indemnity payment otherwise owed to Mortgageor upon any policy of insurance insuring any portion of the Property, 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 Property damaged or destroyed or (iii) be released to Mortgageor 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 Property or which is released to Mortgageor shall be deemed a payment against any sums secured by this Mortgage. Mortgageor will keep the Property continuously insured as herein required and will deliver to Mortgagee the original of each policy of insurance required hereby. Mortgageor 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, Mortgageor 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 Mortgageor fails to insure the Property as herein required, Mortgagee may so insure the Property in the name of Mortgageor or in the name of Mortgagee or both, and the premiums for any such insurance obtained by Mortgagee shall be the obligation of Mortgageor. Upon foreclosure of this Mortgage, all right, title and interest of Mortgageor in and to any policy of insurance upon the Property which is in the custody of Mortgagee, including the right to unearned premiums, shall vest in the purchaser of the Property at foreclosure, and Mortgageor hereby appoints Mortgagee as the attorney in fact of Mortgageor to assign all right, title and interest of Mortgageor 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.** Mortgageor will pay all taxes, assessments and other charges which constitute or are secured by a lien upon the Property 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 Mortgageor 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 Property is stayed during the pendency of such proceedings and Mortgageor 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 Mortgageor fails to make payment for restoration or repair of the Property, 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 rate payable from time to time on outstanding principal under the Note. Payments made for taxes by Mortgagee shall be a first lien on the Property to the extent of the taxes so paid with interest from the date of payment, regardless of the rank and priority of this Mortgage. Mortgageor 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 of eminent domain of any portion of the Property. Mortgageor hereby assigns to Mortgagee the right to collect and receive any payment or award to which Mortgageor would otherwise be entitled by reason of condemnation or acquisition pursuant to power of eminent domain of any portion of the Property. 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 Property taken and to the repair or restoration of the remaining portion of the Property or (iii) be released to Mortgageor 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 Property or which is released to Mortgageor 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 Mortgageor shall convey away the mortgaged premises, or an interest therein, or if the title shall become vested in any other person in any manner whatsoever other than by death of the Mortgageor. 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 an assumption fee not exceeding \$250.00 or 1% of the unpaid balance of the loan, credit report charges paid to a non-related third party, and such other charges as are authorized by law.

8. **Default.** The occurrence of any of the following events shall be deemed a Default under this Mortgage
- (a) failure of Mortgageor to pay any installment of principal or interest upon the Note or Notes hereby secured when due;
  - (b) failure of Mortgageor to pay any other sum secured by this Mortgage when due;
  - (c) failure of Mortgageor to observe or perform any covenant or agreement set forth in this Mortgage or in any loan agreement entered into between the Mortgageor and Mortgagee with respect to the indebtedness hereby secured;

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