

Mortgagor and Mortgagee covenant and agree as follows:

1. **PAYMENT OF NOTE.** Mortgagor shall promptly pay when due the indebtedness evidenced by the Note and late charges as provided in the Note.

2. **INSURANCE.** Mortgagor shall keep all improvements on said land, now or hereafter erected, constantly insured for the benefit of the Mortgagee against loss by fire, windstorm and such other casualties and contingencies, and in such manner and in such companies and for such amounts, not exceeding that amount necessary to pay the sum secured by this Mortgage, and as may be satisfactory to the Mortgagee. Mortgagor shall purchase such insurance, pay all premiums thereon, and shall deliver to Mortgagee such policies along with evidence of premium payment as long as the Note secured hereby remains unpaid. If Mortgagor fails to purchase such insurance, pay the premiums thereon or deliver said policies along with evidence of payment of premiums thereon, then Mortgagee, at its option, may purchase such insurance. Such amounts paid by Mortgagee shall be added to the Note secured by this Mortgage, and shall be due and payable upon demand by Mortgagee to Mortgagee.

3. **TAXES, ASSESSMENTS, CHARGES.** Mortgagor shall pay all taxes, assessments and charges as may be lawfully levied against the Property within thirty (30) days after the same shall become due. In the event that Mortgagor fails to pay all taxes, assessments and charges as herein required, then Mortgagee, at its option, may pay the same and the amounts paid shall be added to the Note secured by this Mortgage, and shall be due and payable by Mortgagor upon demand of Mortgagee.

4. **PRESERVATION AND MAINTENANCE OF PROPERTY.** Mortgagor shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property. Upon the failure of the Mortgagor to so maintain the Property, the Mortgagee may, at its option, enter the property and cause reasonable maintenance work to be performed. Any amounts paid by Mortgagee shall be added to the Note secured by this Mortgage, and shall be due and payable by Mortgagor to Mortgagee upon demand of Mortgagee.

5. **Transfer of the Property: Due on Sale.** If the Mortgagor sells or transfers all or part of the Property or any rights in the Property, any person to whom the Mortgagor sells or transfers the Property may take over all of the Mortgagor's rights and obligations under this Mortgage (known as an "assumption of the Mortgage") if certain conditions are met. Those conditions are:

- (A) Mortgagor gives Mortgagee notice of sale or transfer;
- (B) Mortgagee agrees that the person qualifies under its then usual credit criteria;
- (C) The person agrees to pay interest on the amount owed to Mortgagee under the Note and under this Mortgage at whatever rate Mortgagee requires, and
- (D) The person signs an assumption agreement that is acceptable to Mortgagee and that obligates the person to keep all of the promises and agreements made in the Note and in this Mortgage.

If the Mortgagor sells or transfers the Property and the conditions in A, B, C and D of this section are not satisfied, Mortgagee may require immediate payment in full of the Note, foreclose the Mortgage, and seek any other remedy allowed by the law. However, Mortgagee will not have the right to require immediate payment in full or any other legal remedy as a result of certain transfers. Those transfers are:

- (i) the creation of liens or other claims against the Property that are senior to this Mortgage, such as other mortgages, materialman's liens, etc.
- (ii) a transfer of rights in household appliances, to a person who provides the Mortgagor with the money to buy these appliances, in order to protect that person against possible losses.
- (iii) a transfer of the Property to any long-termers, including the death of the last owner, when the transfer is automatic according to law; and
- (iv) leasing the Property for a term of three (3) years or less, as long as the lease does not include an option to buy.

6. **WARRANTIES.** Mortgagor covenants with Mortgagee that he is seized of the Property in fee simple, has the right to convey the same in fee simple, that titles marketable and free and clear of all encumbrances, and that he will warrant and defend the title against the lawful claims of all persons whomsoever, except for the exceptions hereinafter stated. Title to the Property is subject to the following exceptions:

7. **WAIVER.** The Mortgagor waives and relinquishes all rights of exemption and homestead.

8. **PRIOR LIENS.** Default under the terms of any instrument secured by a lien to which this Mortgage is subordinate shall constitute default hereunder.

9. **ACCELERATION: REMEDIES.** Upon Mortgagor's breach of any covenant or agreement of Mortgagor in this Mortgage, including the covenant to pay when due any sums secured by this Mortgage, Mortgagee prior to acceleration shall mail notice to Mortgagor of the breach. If the breach is not cured by the retro date specified in the notice, Mortgagee at Mortgagee's option may declare all of the sums secured by this Mortgage to be immediately due and payable, without other demand and may foreclose this Mortgage by judicial process. Mortgagee shall be entitled to collect its attorney's fees, expenses of foreclosure including, but not limited to, travel, office, title, fees, and costs, and to a reasonable attorney's fee, all of which shall be additional sums secured by this Mortgage.

10. **APPOINTMENT OF RECEIVER.** Upon acceleration or foreclosure pursuant to paragraph 9 hereof or abandonment of the Property, Mortgagee shall have the right to create, or appoint, a receiver to take possession of and manage the Property and to collect all rents of the Property, including those past due. All rents collected by the receiver shall be applied first to payment of the costs of the management of the Property and collection of rents, and thereafter to the receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Mortgage. The receiver shall be liable only for those rents actually received.

IN WITNESS WHEREOF the said Mortgagor has hereunto set his hand and seal, on the date first written above.

Suzanne S. ...
Mortgagor

William ...
Mortgagee

STATE OF ...
I, the undersigned, a Notary Public in and for the State of ... do hereby certify that the foregoing is a true and correct copy of the original instrument filed with me for recording on this day, to-wit: the ... day of ... A.D. 19... at ...

Notary Public

STATE OF ...
I, the undersigned, a Notary Public in and for the State of ... do hereby certify that the foregoing is a true and correct copy of the original instrument filed with me for recording on this day, to-wit: the ... day of ... A.D. 19... at ...

Notary Public

REC-25