

3. At beneficiary's option grantor will pay a "late charge" not exceeding four per centum (4%) of any installment when paid more than fifteen (15) days after the due date thereof to cover the extra expense involved in handling delinquent payments, but such late charge shall not be payable out of the proceeds of any sale made to satisfy the indebtedness secured hereby, unless such proceeds are sufficient to discharge the entire indebtedness and all proper costs and expenses secured thereby.

4. If the total of the payments made under (a) of paragraph 2 shall exceed the amount of payments actually made by Beneficiary for ground rents, taxes, assessments and insurance premiums, such excess may be credited by Beneficiary on subsequent payments to be made by Grantor. If, however, the monthly payments made under (a) of paragraph 2, shall not be sufficient to pay ground rents, taxes, assessments and insurance premiums, when the same shall become due and payable, Grantor shall pay to Beneficiary any amount necessary to make up the deficiency on or before the date when the payment of such ground rent, taxes, assessments, or insurance premiums shall be due. If at any time Grantor shall tender to Beneficiary, in accordance herewith, full payment of the entire indebtedness secured hereby, Beneficiary shall, in computing the amount of indebtedness, credit to the account of Grantor any credit balance remaining under the provisions of (a) of paragraph 2. If there shall be a default under any of the provisions of this Deed of Trust and thereafter a sale of the premises in accordance with the provisions hereof, or if the Beneficiary acquires the property otherwise after default, the Beneficiary shall apply, at the time of commencement of such proceedings, or at the time the property is otherwise acquired, the balance then remaining in the funds accumulated under (a) of paragraph 2, less such sums as will become due and payable during the pendency of the proceedings, as a credit against the amount of principal then remaining unpaid under said note.

5. To keep the property in good order and condition and not to commit or permit any waste thereof. To allow Beneficiary to inspect the property at any time during reasonable hours.

6. To complete or restore promptly and in good workmanlike manner any building or improvement which may be constructed, damaged or destroyed thereon, and pay when due all costs incurred therefor, and, if the loan secured hereby or any part thereof is being obtained for the purpose of financing construction of improvements on said property, Grantor further agrees:

- (a) To commence construction promptly and in any event within thirty (30) days from the date of the commitment of the Beneficiary, and complete same in accordance with plans and specifications satisfactory to Beneficiary.
- (b) To complete all buildings or other structures being or about to be built thereon within six (6) months from date hereof,
- (c) To replace any work or materials unsatisfactory to Beneficiary, within fifteen (15) days after written notice to Grantor of such fact,
- (d) That work shall not cease on the construction of such improvements for any reason whatsoever for a period of fifteen (15) consecutive days.

The Trustee, upon presentation to it of an affidavit signed by Beneficiary, setting forth facts showing a default by Grantor under this numbered paragraph, is authorized to accept as true and conclusive all facts and statements therein, and to act thereon hereunder.

7. Not to remove or demolish any building, improvements thereon or any fixtures or other property in or used in connection with said building or improvements.

8. To comply with all laws, ordinances, regulations, covenants, conditions and restrictions affecting said property.

9. To keep the buildings, improvements and fixtures now existing or hereafter erected on the mortgaged property insured as may be required from time to time by the Beneficiary against loss by fire and other hazards, casualties and contingencies in such amounts and for such periods as may be required by the Beneficiary and will pay promptly, when due, any premiums on such insurance provisions for payment of which has not been made hereinbefore. All insurance shall be carried in companies approved by the Beneficiary and the policies and renewals thereof shall be held by the Beneficiary and have attached thereto loss payable clauses in favor of and in form acceptable to the Beneficiary. In event of loss Grantor will give immediate notice by mail to the Beneficiary, who may make proof of loss if not made promptly by Grantor, and each insurance company concerned is hereby authorized and directed to make payment for such loss directly to Beneficiary instead of to Grantor and Beneficiary jointly, and the insurance proceeds, or any part thereof, may be applied by the Beneficiary at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the property damaged. In event of foreclosure of this Deed of Trust or other transfer of title to the subject property in extinguishment of the indebtedness secured hereby, all right, title and interest of the Grantor in and to any insurance policies then in force shall pass to the purchaser or grantee.

10. To appear in and defend any suit, action or proceeding that might affect the value of this security instrument or the security itself or the rights or powers of Beneficiary or Trustee; and should Beneficiary or Trustee elect also to appear in or defend any such action or proceeding the Grantor will, at all times, indemnify from, and, on demand reimburse Beneficiary or Trustee for any and all loss, damage, expense or cost, including cost of evidence of title and attorney's fees, arising out of or incurred in connection with any such suit, action or proceeding, and the sum of such expenditures shall be secured by this Deed of Trust with interest as provided in the note secured hereby and shall be due and payable on demand. To pay all costs of suit, costs of evidence of title and reasonable attorney's fee in any proceeding or suit brought by Beneficiary to foreclose this Deed of Trust.

11. To pay at least ten (10) days before delinquent all rents, taxes, assessments and encumbrances, charges or liens with interest, that may now or hereafter be levied, assessed or claimed upon the property that is the subject of this Deed of Trust or any part thereof, which at any time appear to be prior or superior hereto for which provision has not been made heretofore, and upon request will exhibit to Beneficiary official receipts therefor, and to pay all taxes, reasonable costs, fees and expenses of this Trust; on default hereunder Beneficiary may, at its option, pay, or pay out of reserves accumulated under paragraph 2, any such sums, without waiver of any other right of Beneficiary by reason of such default of Grantor, and Beneficiary shall not be liable to Grantor for a failure to exercise any such option.

12. To repay immediately on written notice to Grantor all sums expended or advanced hereunder by or on behalf of Beneficiary or Trustee, with interest from the date of such advance or expenditure at the rate provided on the principal debt, and the repayment thereof shall be secured hereby. Failure to repay such expenditure or advance and interest thereon within ten (10) days of the mailing of such notice will, at Beneficiary's option, constitute an event of default hereunder; or, Beneficiary may, at its option, commence an action against Grantor for the recovery of such expenditure or advance and interest thereon, and in such event Grantor agrees to pay, in addition to the amount of such expenditure or advance, all costs and expenses incurred in such action, together with a reasonable attorney's fee.

13. Upon the request of the Beneficiary, the Grantor shall execute and deliver a supplemental note or notes for the sum or sums advanced by the beneficiary for the alteration, modernization, improvement, maintenance, or repair of said premises for taxes or assessments against the same and for any other purpose authorized hereunder. Said note or notes shall

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COPY ONE:File

COPY TWO:Loan File

COPY THREE:Customer

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COPY 01 OF 03

