

PIONEER, INC., TACOMA 156789

Mortgagee forever against the claims and demands of any person or persons whomsoever, and if Mortgagee shall bring or defend any action to protect or establish any of its rights hereunder, the Mortgagor will pay all costs and expenses, including reasonable attorneys fees, all of which shall be added to the indebtedness secured hereby.

FOR THE CONSIDERATION AFORESAID, It is further covenanted and agreed by and between the parties hereto that:

1. Mortgagor will repay to Mortgagee, immediately and without demand, all funds hereafter advanced by Mortgagee, pursuant to any covenant or agreement herein contained or for any purpose, with interest thereon from date of advance until repaid, at the rate of four and one-half per centum (\_\_\_\_%) per annum, and will pay promptly when due and payable all indebtedness evidenced by said note. Privilege is reserved to pay the debt in whole, or in an amount equal to one or more monthly payments on the principal that are next due on the note, without premium or penalty, on the first day of any month prior to maturity: Provided, however, That written notice of an intention to exercise such privilege is given at least thirty (30) days prior to the date any such additional payment is made.

2. Together with and in addition to the monthly payments of principal and interest payable under the terms of the note secured hereby, the Mortgagor will pay to the Mortgagee, on the first day of each month until said note is fully paid, the following sums:

(a) If this mortgage and the said note secured hereby are reported for insurance under the provisions of Title I of the National Housing Act, one-twelfth (1/12) of one-half of one per centum (1/2%) of the original principal amount of the said note for the purpose of putting the Mortgagee in funds with which to discharge its obligation to the Federal Housing Administrator for mortgage insurance premiums pursuant to the provisions of Title I of the National Housing Act, as amended, and regulations thereunder. The Mortgagee shall, on the termination of its obligation to pay mortgage insurance premiums, credit to the account of the Mortgagor all payments made under the provisions of this subsection which the Mortgagee has not become obligated to pay to the Federal Housing Administrator.

(b) A sum equal to the ground rents, if any, next due, plus the premiums that will next become due and payable on policies of fire and other hazard insurance covering the mortgaged property, plus taxes and assessments next due on the mortgaged property (all as estimated by the Mortgagee) less all sums already paid therefor divided by the number of months to elapse before one month prior to the date when such ground rents, premiums, taxes and assessments will become delinquent, such sums to be held by Mortgagee in trust to pay said ground rents, premiums, taxes, and special assessments.

(c) A sum equal to one-twelfth (1/12) of one-half of one per centum (1/2%) of the amount of principal then remaining unpaid under the said note as a service charge, which sum is more particularly to cover the expenses of handling the monthly payments on account of taxes, assessments, and fire and other hazard insurance hereinafter provided for, and to cover the other servicing costs in connection with this mortgage and the note secured hereby,

(d) All payments mentioned in the three preceding subsections of this paragraph and all payments to be made under the note secured hereby shall be added together and the aggregate amount thereof shall be paid by the Mortgagor each month in a single payment to be applied by the Mortgagee to the following items, in the order set forth:

- (I) Insurance charges due the Federal Housing Administrator;
- (II) Service charge as set forth in subsection (c) above;