BORROWER'S RIGHT TO MORTGAGE THE PROPERTY AND BORROWER'S OBLIGATION TO DEFEND OWNERSHIP OF THE PROPERTY

I promise that (A) I lawfully own the Property; (B) I have the right to mortgage, grant and convey the Property to Lender; and (C) there are no outstanding claims or charges against the Property, except as otherwise stated in this Mortgage. I give a general warranty of title to Lender. This means that I will be fully responsible for any losses which Lender suffers because someone other than myself has some of the rights in the Property which I promise that I have. I promise that I will defend my ownership of the Property against any claims of such rights.

In the event I fail to defend my ownership of the Property, I agree to reimburse the Mortgagee for any and all expenses, including attorneys fees and Court costs, incurred by the Mortgagee in defending the Property.

I promise and I agree with Lender as follows:

1. BORROWER'S PROMISE TO PAY PRINCIPAL AND INTEREST UNDER THE NOTE AND TO FULFILL OTHER **PAYMENT OBLIGATIONS**

I will promptly pay to Lender when due: principal and interest under the Note; late charges as stated in the Note; and principal and interest on Future Advances that I may receive under Paragraph 15 below.

2. BORROWER'S OBLIGATION TO PAY TAXES AND INSURANCE

(A) Taxes: I will pay all the taxes, assessments (public and private), sewer rents, water rates and other governmental or municipal charges, fines or impositions on the Property upon or before the date they are due. I will show Lender receipts for payment of such charges within then (10) days after Lender requests them.

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(B) Insurance: For the Lender's benefit, I will keep the buildings and fixtures on the Property insured in such amount

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