is received at the office of the Mortgagee more than fifteen (15) calendar days after the due date thereof to cover the extra expense involved in handling delinquent payments; (10) that this loan may be prepaid, in whole or in part, in an amount not less than one monthly installment of principal, provided that two months' advance interest may be charged on that part of the aggregate amount of all prepayments made in any twleve month period which exceeds thirty three and one third per cent (33⅓%) of the original principal amount of the loan as a consideration for the acceptance of such prepayment, provided that no such charge may be imposed after the expiration of three (3) years from the date hereof; (11) that it is agreed that the Mortgagee may, at any time during the mortgage term, and in its discretion, apply for and purchase mortgage guaranty insurance, and may apply for renewal of such mortgage guaranty insurance covering this mortgage, and pay premiums due by reason thereof, and require repayment by the Mortgagor of such amounts as are advanced by the Mortgagee, and the Mortgagor hereby agrees to pay for such premiums on the first day of each month, as part of the regular monthly payment, by payment of a sum equal to one-twelfth (1/12) of such annual mortgage guaranty insurance premium in accordance with the provisions of (1) of the aforegoing covenants and conditions, and in the event such insurance is placed on a single premium plan, the Mortgagor hereby agrees to repay the Mortgagee for such amount so advanced by the Mortgagee for such single premium.

AND IT IS AGREED AND UNDERSTOOD that until default is made, the said Mortgagor, its, his heirs, personal representatives, successors and assigns, may retain possession of the hereby mortgaged property.

AND the said Mortgagor hereby assents to the passage of a decree for the sale of the property hereby mortgaged, (the sale to take place after a default in any of the covenants or conditions of this mortgage as herein provided), and the said Mortgagor hereby also authorizes the said Mortgagee, its successors or assigns or Irwin R. Cohen, its duly authorized Attorney or Agent, after any default in the terms of this mortgage, to sell the hereby mortgaged property, and any such sale, whether under the above assent to a decree or under the above power of sale, shall be under the provisions of Article LXVI of the Public General Laws of Maryland and the Maryland Rules of Procedure, or under any other General or Local Law of the State of Maryland relating to mortgages, or any supplement, amendment or addition thereto. And upon any sale of said property, whether under the above assent to a decree or under the above power of sale, the proceeds shall be applied as follows: (1) to the payment of all expenses incident to such sale, including a fee of Fifteen Hundred and no/100 Dollars and a commission to the party making the sale of said property equal to the commission allowed Trustees for making sale of property by virtue of a decree of a Court having equity jurisdiction in the State of Maryland; (2) to the payment of all claims of the said Mortgagee, its successors or assigns, under this mortgage whether the same shall have matured or not including interest thereon until final ratification of the auditor's account; (3) the surplus (if any therebe), to the said Mortgagor, its, his heirs, personal representatives, successors or assigns, or to whomever may be entitled to the same. Half of such commission all attorneys' fees and all such expenses and costs shall be paid by the Mortgagor in the event that the mortgage debt shall be paid after any advertisement of said property but before the sale thereof.

The said Mortgagor covenants that it, he will warrant specially the property hereby mortgaged, and that he will execute such further assurances as may be requisite. Whenever used, the singular number shall include the plural, the plural the singular and the use of any gender shall be applicable to all genders, and Mortgagee shall include any payee of the indebtedness hereby secured or any transferee thereof whether by operation of law or otherwise.

The Mortgagor by execution of this instrument certifies that prior to such execution he has received both a fully executed agreement as to the contractual rate of interest and a loan disclosure statement in connection with this loan as required by Article 49 of the Annotated Code of Maryland.

WITNESS the corporate seal of the said Mortgagor and the signature of its vice president.

WITNESS the hand and seal of said Mortgagor-Guarantor.

MORNINGSIDE ASSOCIATES, INC.

WITNESS:

By ..... (SEAL)
Zoltan Kuthy, President

MIDDLETOWN VALLEY HOMES, INC. ..... (SEAL)

By ..... (SEAL)
Zoltan Kuthy, President

Barbara Grannan

..... (SEAL)
Zoltan Kuthy

STATE OF MARYLAND, COUNTY OF BALTIMORE, TO WIT:

I hereby certify that on this 15th day of December, 1977 before me the subscriber, a Notary Public of the State of Maryland, in and for the County aforesaid, personally appeared Zoltan Kuthy as President of Morningside Associates, Inc. and Middletown Valley Homes, Inc. and Zoltan Kuthy individually personally known to me to be the above named mortgagors, guarantors, and they acknowledged the aforegoing mortgage to be their act and deed.

At the same time also personally appeared Bernard Dackman, Agent of Key Federal Savings and Loan Association, the party secured by said mortgage/Deed of Trust and made oath in due form of Law that the consideration recited in the Mortgage/Deed of Trust is bonafide as therein set forth; and further that the amount of the loan, which said Mortgage/Deed of Trust has been given to secure, was paid over and disbursed by the party secured by the Mortgage/Deed of Trust, to either the borrowers or to the party responsible for disbursement of the funds in the closing transaction or their representative agent at no time later than the execution and delivery of the Mortgage, or Deed of Trust, by the borrower, and further that he is duly authorized agent of Key Federal Savings and Loan Association and has authority to make this affidavit.

AS WITNESS my hand and Notarial Seal.

Barbara Jean Grannan, Notary

My Commission Expires July 1, 1978