TO HAVE AND TO HOLD the said property and improvements unto the party of the second part, its successors and assigns in fee simple.

IN AND UPON THE TRUSTS, NEVERTHELESS, hereinafter declared; that is to say: IN TRUST to permit said party of the first part, or assigns, to use and occupy the said described land, and premises, and the rents, issues and profits thereof, to take, have, and apply to and for such party's sole use and benefit, until default be made in the payment of any indebtedness hereby secured, or in the performance of any of the covenants as hereinafter provided.

Upon the full payment of all of said note and the interest thereon, and all moneys advanced or expended as herein provided, and all other proper costs, charges, commissions, half-commissions, and expenses, at any time before the sale hereinafter provided for, to release and reconvey the said described premises unto the said party of the first part or assigns, at such party's cost. Prior to the execution and delivery of any partial or complete release, each trustee shall be entitled to charge and receive a fee of $5.00, plus $.50 for Notary's fee, for each release. The right to charge and receive said fee shall be limited to two trustees.

Upon a default in the payment of any indebtedness hereby secured or in the performance of any of the terms or conditions hereof as hereinafter provided, then, in either event, all of the indebtedness hereby secured shall at once become due and payable without notice at the option of the holder of the note and the said party of the second part, or the Trustee acting in the execution of this trust, shall have power and it shall be such trustee's duty to sell, and in case of any default of any purchaser, to resell, at public auction, for cash, in one parcel at such time and place, and after such previous public advertisement as the party of the second part, or the Trustee acting in the execution of this trust, shall deem advantageous and proper; and to convey the same upon compliance with the terms of sale, to, and at the cost of, the purchaser or purchasers thereof, who shall not be required to see to the application of the purchase money; and shall apply the proceeds of said sale or sales: First, to pay all proper costs, charges, and expenses, including all attorneys' and other fees and costs herein provided for, all moneys advanced for costs or expenses, expense of litigation as aforesaid, taxes or assessments, or insurance with interest thereon as aforesaid, and all taxes, general and special, and assessments, due upon said land and premises at time of sale and to retain as compensation a commission of one per centum (1%) on the amount of the said sale or sales; Second, to pay whatever may then remain unpaid of said note, whether the same shall be due or not, and the interest thereon to date of payment, it being agreed that said note shall, upon such sale being made before the maturity of said note, be and become immediately due and payable at the election of the holder thereof; Third, to reimburse the Veterans Administration for any sums paid by it on account of the guarantee or insurance of the indebtedness secured hereby; and, lastly, to pay the remainder of said proceeds, if any there be, to the party of the first part, such party's heirs, executors, administrators, or assigns, upon the delivery and surrender to the purchaser, the heirs or assigns thereof, the possession of the premises, less the expense, if any, of obtaining possession.

Party of the first part covenants and agrees as follows:

1. He will pay the indebtedness, as hereinbefore provided. Privilege is reserved to prepay at any time, without premium or fee, the entire indebtedness or any part thereof not less than the amount of one installment, or one hundred dollars ($100.00), whichever is less. Prepayment in full shall be credited on the date received. Partial prepayment, other than on an installment due date, need not be credited until the next following installment due date or thirty days after such prepayment, whichever is earlier.

2. Together with, and in addition to, the monthly payments of principal and interest payable under the terms of the note secured hereby, he will pay to the holder of the said note as trustee (under the terms of this trust as hereinafter stated) on the first day of each month until the said note is fully paid, the following sums:

(a) A sum equal to the ground rents, if any, and the taxes and special assessments next due on the premises covered by this Deed of Trust, plus the premiums that will next become due and payable on policies of fire and other hazard insurance on the premises covered hereby (all as estimated by the holder of the note, and of which the party of the first part is notified) less all sums already paid therefor, divided by the number of months to elapse before 1 month prior to the date when such ground rents, premiums, taxes, and assessments will become delinquent, such sums to be held by holder of the note in trust to pay said ground rents, premiums, taxes, and special assessments, before the same become delinquent.

(b) The aggregate of the amounts payable pursuant to subparagraph (a) and those payable on the note secured hereby, shall be paid in a single payment each month, to be applied to the following items in the order stated:

(I) ground rents, if any, taxes, special assessments, fire and other hazard insurance premiums;

(II) interest on the note secured hereby; and

(III) amortization of the principal of the said note.

Any deficiency in the amount of any such aggregate monthly payment shall, unless made good by the party of the first part prior to the due date of the next such payment, constitute an event of default under this Deed of Trust. At the option of the holder of the note, the party of the first part 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.