

of the Property and the sums secured by this Mortgage shall be paid to the Lender in full at the time of maturity of the sums secured by this Mortgage.

If the Property is sold by the Lender or otherwise disposed of by the Lender, the Lender shall have the right to make an award of costs of foreclosure. Borrower shall pay to the Lender within 30 days of the date of sale the amount of the award. Lender is authorized to sell the Property and the sums secured by this Mortgage to the highest bidder.

Unless Lender and Borrower otherwise agree in writing, the Lender's remedies shall not extend or postpone the time for payment of the sums secured by this Mortgage.

10. Borrower Not Released. Extension of the time for payment of the sums secured by this Mortgage shall not constitute a release of the Property or the sums secured by this Mortgage. Borrower shall remain obligated to pay to the Lender the sums secured by this Mortgage until the sums secured by this Mortgage are paid in full.

11. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not constitute a waiver of any right or remedy hereunder. The procurement of a payment of taxes or other charges by Lender shall not be a waiver of Lender's right to accelerate the maturity of the sums secured by this Mortgage.

12. Remedies Cumulative. All remedies provided in this Mortgage shall be in addition to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. Successors and Assigns Bound; Joint and Several Liability; Captions. The covenants and agreements herein contained shall bind and the obligations hereunder shall be the obligations of Lender and Borrower, subject to the provisions of paragraph 17 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the provisions of this Mortgage are for identification only and shall not be used to interpret or limit the provisions hereof.

14. Notice. Any notice to Borrower under this Mortgage shall be given by registered mail, return receipt requested, or by certified mail, return receipt requested. A notice of default under this Mortgage shall be given to Borrower in the manner prescribed by applicable law. Any notice under this Mortgage shall be deemed to have been given to Borrower when given to the proper legal representative.

15. Uniform Mortgage: Governing Law; Severability. This mortgage is a form approved for national use and conforming to the Uniform Mortgage Act. The law of the State of California shall govern the interpretation of this Mortgage. In the event that any provision of this Mortgage is held to be unenforceable, the unenforceability shall not affect the enforceability of the other provisions of this Mortgage or the Note and shall not constitute a breach of any covenant or agreement under this Mortgage and the Note declared to be void.

16. Borrower's Copy. Borrower shall be furnished a copy of this Mortgage at the time of execution or after recording hereof.

17. Transfer of the Property: Assumption. If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, including a sale to a transferee who is a transferee subordinate to this Mortgage, or the creation of a purchase money mortgage, the transferee shall be deemed to have assumed the obligations of Borrower under this Mortgage. Lender may, at Lender's option, declare the sums secured by this Mortgage to be immediately due and payable. Lender shall have a lien on the Property for the sums secured by this Mortgage, and the person to whom the Property is to be sold or transferred shall agree in writing that the transferee is assuming the obligations of Borrower to Lender and that the interest payable on the sums secured by this Mortgage shall be as Lender shall direct. If Lender has waived the option to accelerate provided in this paragraph 17 and if Borrower's assumption of the obligations is in writing, assumption agreement accepted in writing by Lender, Lender shall release Borrower from all obligations under this Mortgage and the Note.

If Lender exercises such option, Lender shall have a lien on the Property in accordance with paragraph 16 hereof. Such lien shall provide a lien in favor of Lender from the date the notice is mailed within which Borrower may pay the sums secured by this Mortgage. If Borrower fails to pay the sums secured by this Mortgage, Lender may, without further notice or demand on Borrower, make any remedies available to Lender hereunder.

NOT UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

18. Acceleration: Remedies. Except as provided in paragraph 17 hereof, upon Borrower's breach of any covenant or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender may, at Lender's option, declare the sums secured by this Mortgage to be immediately due and payable. Lender shall have a lien on the Property for the sums secured by this Mortgage, and the person to whom the Property is to be sold or transferred shall agree in writing that the transferee is assuming the obligations of Borrower to Lender and that the interest payable on the sums secured by this Mortgage shall be as Lender shall direct. If Lender has waived the option to accelerate provided in this paragraph 17 and if Borrower's assumption of the obligations is in writing, assumption agreement accepted in writing by Lender, Lender shall release Borrower from all obligations under this Mortgage and the Note.

19. Borrower's Right to Reinstate. Notwithstanding Lender's acceleration of the sums secured by this Mortgage, Borrower shall have the right to cause any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if (a) Borrower pays Lender all sums which would be then due under this Mortgage, the Note and notes securing Future Advances, if any, had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

20. Assignment of Rents: Appointment of Receiver. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 18 hereof or abandonment of the Property, Lender shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Property and to collect the

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