

in accordance with Borrower's and Lender's written agreement or applicable law. Borrower shall pay the amount of all insurance and  
 insurance premiums in the manner provided under paragraph 2 hereof.

Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, shall become additional indebtedness  
 of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable  
 upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate  
 payable from time to time on outstanding principal under the Note unless payment of interest at such rate would be contrary to  
 applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing con-  
 tained in this paragraph 7 shall require Lender to incur any expense or take any action hereunder.

8. **INSPECTION.** Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided  
 that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest  
 in the Property.

9. **CONDEMNATION.** The proceeds of any award or claim for damages, direct or consequential, in connection with any con-  
 demnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall  
 be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, with the  
 excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in  
 writing, there shall be applied to the sums secured by this Mortgage such proportion of the proceeds as is equal to that proportion  
 which the amount of the sums secured by this Mortgage immediately prior to the date of taking bears to the fair market value of the  
 Property immediately prior to the date of taking, with the balance of the proceeds paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemner offers to make an  
 award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date such notice is mailed, Lender  
 is authorized to collect and apply the proceeds, at Lender's option, either to restoration or repair of the Property or to the sums  
 secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, any such application of proceeds to principal shall not extend or  
 postpone the due date of the monthly installments referred to in paragraphs 1 and 2 hereof or change the amount of such installments.

10. **BORROWER NOT RELEASED.** Extension of the time for payment or modification of amortization of the sums secured by  
 this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of  
 the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such suc-  
 cessor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any  
 demand made by the original Borrower and Borrower's successors in interest.

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 be a waiver of or preclude the exercise of any such right or remedy. The procure-  
 ment of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's right to accelerate  
 the maturity of the indebtedness secured by this Mortgage.

12. **REMEDIES CUMULATIVE.** All remedies provided in this Mortgage are distinct and cumulative 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 con-  
 tained shall bind, and the rights hereunder shall inure to, the respective successors and assigns 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 head-  
 ings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

14. **NOTICE.** Except for any notice required under applicable law to be given in another manner, (a) any notice to Borrower  
 provided for in this Mortgage shall be given by mailing such notice by certified mail addressed to Borrower at the Property address or at  
 such other address as Borrower may designate by notice to Lender as provided herein, and (b) any notice to Lender shall be given  
 by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by  
 notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower  
 or Lender when given in the manner designated herein.

15. **UNIFORM MORTGAGE; GOVERNING LAW; SEVERABILITY.** This form of mortgage combines uniform covenants for national  
 use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real  
 property. This Mortgage shall be governed by the law of the jurisdiction in which the Property is located. In the event that any  
 provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this  
 Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage  
 and the Note are declared to be severable.

16. **BORROWER'S COPY.** Borrower shall be furnished a confirmed copy of the Note and of this Mortgage at the time of  
 execution or after recordation 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, excluding (a) the creation of a lien or encumbrance subordinate to this  
 Mortgage, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by  
 operation of law upon the death of a joint tenant or (d) the grant of any leasehold interest of three years or less not containing  
 an option to purchase, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and  
 payable. Lender shall have waived such option to accelerate if, prior to the sale or transfer, Lender and the person to whom the  
 Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the  
 interest payable on the sums secured by this Mortgage shall be at such rate as Lender shall request. If Lender has waived the  
 option to accelerate provided in this paragraph 17, and if Borrower's successor in interest has executed a written assumption agree-  
 ment accepted in writing by Lender, Lender shall release Borrower from all obligations under this Mortgage and the Note.

If Lender exercises such option to accelerate, Lender shall mail Borrower notice of acceleration in accordance with para-  
 graph 14 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which  
 Borrower may pay the sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may,  
 without further notice or demand on Borrower, invoke any remedies permitted by paragraph 18 hereof.

**NON-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 agree-  
 ment of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage, Lender prior to  
 acceleration shall mail notice to Borrower as provided in paragraph 14 hereof specifying: (1) the breach; (2) the action required to  
 cure such breach; (3) a date, not less than 30 days from the date the notice is mailed to Borrower, by which such breach must be  
 cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums se-  
 cured by this Mortgage, foreclosure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the  
 right to reinstate after acceleration and the right to assert in the foreclosure proceeding the non-existence of a default or any other  
 defense of Borrower to acceleration and foreclosure. If the breach is not cured on or before the date specified in the notice, Lender  
 at Lender's option may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand  
 and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of fore-  
 closure, including, but not limited to, reasonable attorney's fees, and costs of documentary evidence, abstracts and title reports, all of which  
 shall be additional sums secured by this Mortgage.

19. **BORROWER'S RIGHT TO REINSTATE.** Notwithstanding Lender's acceleration of the sums secured by this Mortgage, Bor-  
 rower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to

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