

of the amount of the sums secured by this Mortgage immediately prior to the date of taking hereof to the fair market value of the Property immediately prior to the date of taking with the balance of the proceeds due to Borrower.

If the Property is abandoned by Borrower or if after notice by Lender to Borrower that the condition offers to make an award of sums for damages, Borrower fails to respond to Lender within 30 days of the date of such notice, 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, in any manner, 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 successor 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 right or remedy hereunder. The procurement 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 contained shall bind and the rights hereunder shall inure to the respective successors, 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 headings 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. 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 stated hereon, except for any notice required under paragraph 15 hereof to be given to Borrower in the manner prescribed by applicable law. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower when given in the manner designated herein.

15. Uniform Mortgage; Governing Law; Severability. This form of mortgage combines uniform covenants for national use and uniform covenants with limited variations by local law to conform to 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 conforming copy of this Mortgage at the time of execution or after recording hereof.

17. Transfer of the Property; Assumption. If at any time any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, including, without limitation, a sale or an assignment, subordinate to this Mortgage, of the portion of a purchase money security interest for household appliances, or a transfer by devise, descent or by operation of law upon the death of a party, tenant or of 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 a waiver of 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 result of such action is satisfactory to Lender and that the interest payable on the sums secured by this Mortgage shall be as stated in the Note. 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 agreement 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 compliance with paragraph 14 hereof. Such notice shall provide a period of not less than 30 days from the date of such notice is mailed within which Borrower may pay the sums secured by this Mortgage in full. If Borrower fails to pay the sums secured by this Mortgage in full within such period, Lender may, without further notice or demand, make 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 agreement of Borrower in this Mortgage, including the covenant to pay when due, any sums secured by this Mortgage, Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable. Lender shall have a waiver of 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 result of such action is satisfactory to Lender and that the interest payable on the sums secured by this Mortgage shall be as stated in the Note. 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 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 the terms of this Mortgage, Borrower shall have the right to reinstate this Mortgage, including the covenants to pay when due, if Borrower pays Lender all sums which would be due hereunder on this Mortgage, the Note, and interest including future Advances, if any, had no modification occurred. If Borrower exercises this right, all other covenants, conditions and agreements of Borrower contained in this Mortgage, including, but not limited to, the covenants to pay when due, shall be reinstated. Lender's remedies as provided in paragraph 18 hereof, including, but not limited to, the right to accelerate, shall be reinstated. Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue as if no acceleration had occurred. Upon such payment and cure by Borrower, this Mortgage and the obligations secured hereby shall be reinstated, done and effect as if no acceleration had occurred.

20. Assignment of Rents; Appointment of Receiver. As a condition to the making of this Mortgage, Borrower hereby assigns to Lender the rents of the Property, and shall, at Borrower's expense, cause to be recorded in the Public Records of the County of the Property, a deed of assignment of such rents as they become due and payable.

Upon acceleration, provided in paragraph 18 hereof or upon the sale of the Property, Lender shall be entitled to have a receiver appointed by a court of competent jurisdiction to take possession of and manage the Property and to collect the

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