

2. Funds for Taxes and Insurance. Subject to the exceptions herein provided, the Borrower shall pay to Lender on the day monthly installments of principal and interest (including the interest on the interest) on the sum herein "Funds") equal to one-twelfth of the yearly taxes and assessments on the Property, if any, plus one-twelfth of the yearly premium on the Property for mortgage insurance, plus all reasonable assessments, taxes, levies, bills and reasonable expenses thereof, which are insured or guaranteed by a Federal or state agency. The Funds to pay such taxes, assessments, mortgage insurance, and the Funds to pay such assessments, taxes, levies, bills and expenses shall be applied to the execution of this Mortgage in the order stated. The Funds shall not be required to be Brought into possession of the Property until the Funds for taxes and assessments are paid. The Funds so pledged as additional security for the taxes and assessments...

If the amount of the Funds... is not sufficient to pay the due dates of taxes, assessments, mortgage insurance, and ground rent... Lender shall promptly pay such taxes, assessments, insurance premiums, and ground rent as may be due... or credited to Borrower... sufficient to pay taxes, assessments, mortgage insurance, and ground rent... to make up the deficiency with interest... Upon payment in full of all such taxes, assessments, mortgage insurance, and ground rent, it shall receive any Funds held by Lender.

If under paragraph 18... Lender shall apply no later than immediately... as a credit against... of this Mortgage.

3. Application of Payments. The proceeds of the Note and the interest thereon shall be applied by Lender under paragraph 2 hereof, then to interest payable on the Note, and to the principal of future Advances of any kind.

4. Charges; Liens. Borrower shall pay to Lender all charges, fees, and expenses... payable to the Property... Borrower shall promptly... any lien which has priority over this Mortgage... agree in writing to the payment of the charges, fees, and expenses... of the Property... in good faith and without delay.

5. Hazard Insurance. Borrower shall keep the Property insured against loss by fire, hazards included within the term "hazardous conditions", and for such periods as heretofore or hereinafter required that amount of coverage required to pay the full... The insurance coverage providing the maximum protection... shall not be less than... provided under paragraph 2 hereof...

All insurance proceeds and benefits... in favor of and in full... shall promptly be paid to Lender... promptly to the insurance carrier... Unless Lender and Borrower otherwise agree... Property damaged, provided such damage is not thereby impaired... insurance proceeds shall be applied... abandoned by Borrower or a third party... Lender's option either to... Unless Lender and Borrower otherwise agree... to prepay the due state of the mortgage... If under paragraph 18... and to the... acquisition resulting from... of the Property...

6. Preservation and Maintenance of Property; Leasehold; Condominiums. Borrower shall keep the Property in good repair and shall not be liable... with the provisions of any lease, if this Mortgage is on a leasehold... Borrower shall perform all of Borrower's obligations under the... and... project and... documents.

7. Protection of Lender's Security. If Borrower fails to comply... contained in this Mortgage or if any action... Lender at Lender's option upon notice to Borrower... to make repairs... of Borrower under this Mortgage... shall be payable upon notice from Lender to Borrower... shall bear interest from the date of disbursement at the rate stated in the Note... Notwithstanding to this paragraph 7 shall require Lender to incur any expense...

8. Inspection. Lender may make... of the Property provided that Lender shall be... Lender's interest in the Property.

9. Condemnation. The proceeds of any... with any condemnation or other taking of the Property... and shall be paid to Lender.

In the event of... with the excess of any... Borrower and Lender otherwise agree in writing there shall be... of this Mortgage...

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