

UNIFORM COVENANTS, CONDITIONS AND TERMS OF MORTGAGE

1. **PAYMENT OF PRINCIPAL AND INTEREST.** Borrower shall pay to Lender in the periodic and interest installments provided by the Note, payment and discharge of principal on the Note, and the periodic and interest on any Future Advances secured by this Mortgage.

2. **TRUST FOR TAXES AND INSURANCE.** Subject to applicable law, not a trustee under this Mortgage, Borrower shall pay to Lender on the day monthly installments of principal and interest are payable on the Note, until the Note is paid in full, a sum (herein "Funds") equal to one month of the various taxes, assessments and insurance premiums due on the Mortgage, and ground rents on the Property, if any, plus a month of yearly premium installments and other charges payable on the mortgage, plus the minimum installments for mortgage insurance, if any, all as reasonably estimated by Lender, and the amount of the taxes, assessments and bills and reasonable estimates thereof.

The Funds shall be held in an institution that deposits or otherwise holds the same in accordance with a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the funds to pay said taxes, assessments, insurance premiums and ground rents. Lender may not charge fees, hold back and apply the Funds, analyzing said account or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds, and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Mortgage that interest on the Funds shall be paid. Borrower and unless such agreement is made or applicable law requires, all interest to be paid. Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall, every Borrower, without obligation, maintain a running account of the Funds showing credits and debits to the Funds and the purposes for which each debit to the Funds was made. The Funds so applied as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by Lender together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, the excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower as monthly payments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within 30 days from the date of the demand by Lender to Borrower requesting payment thereof.

Upon payment in full of all sums secured by this Mortgage, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 18 hereof the Property is sold or the Property is otherwise acquired by Lender, Lender shall apply, no later than immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of application as a credit against the sums secured by this Mortgage.

3. **APPLICATION OF PAYMENTS.** Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first to payment of any sums payable to Lender by Borrower under paragraph 2 hereof, then to interest payable on the Note, then to the principal on the Note, and then to interest and principal on any Future Advances.

4. **CHARGES OF LENDERS.** Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attach a priority over this Mortgage, and unpaid payments of principal and interest if any, in the manner provided under paragraph 2 hereof or if not paid in such manner, by Borrower making payments when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all Notices of demands due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Lender shall promptly discharge any lien which has priority over this Mortgage, provided that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the deficiency secured by such lien in a manner acceptable to Lender, or shall in good faith contest such lien by or defend enforcement of such lien in legal proceedings which operate to prevent the enforcement of the lien or forfeiture of the Property or any part thereof.

5. **HAZARD INSURANCE.** Borrower shall keep the improvements now existing or hereafter created on the Property insured against loss by fire, hazards included within the term "standard coverage," and such other hazards as Lender may require and in such amounts and for such periods as Lender may require, provided that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender, provided that such approval shall not be unreasonably withheld. All premiums on insurance policies shall be paid in the manner provided under paragraph 2 hereof or, if not paid in such manner, by Borrower making payment when due, directly to the insurance carrier.

All insurance policies and renewals thereof shall be in form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible and the security of this Mortgage is not thereby impaired. If such restoration or repair is not economically feasible and the security of this Mortgage would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance 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. If under paragraph 18 hereof the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to such sale or acquisition.

6. **PRESERVATION AND MAINTENANCE OF PROPERTY, EASEMENTS, CONDOMINIUMS, PLANNED UNIT DEVELOPMENTS.** Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease of this Mortgage as on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the bylaws and regulations of the condominium or planned unit development, and constituent documents. If a condominium or planned unit development rider is executed by Borrower and recorded together with this Mortgage, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if the rider were a part hereof.

7. **PROTECTION OF LENDER'S SECURITY.** If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or arrangements or proceedings involving a bankruptcy or decedent, then Lender at Lender's option, upon notice to Borrower, may make such appearances, disburse such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorney's fees and entry upon the Property to make repairs. If Lender required mortgage insurance as a condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates.