

## UNIFORM COVENANTS, Borrower and Lender covenants as follows:

1. **PAYMENT OF PRINCIPAL AND INTEREST.** Borrower shall promptly pay when due the principal and interest in the indebtedness evidenced by the Note, payment and due dates as provided in the Note, and the principal and interest on any Future Advances secured by this Mortgage.

2. **FUNDS FOR TAXES AND INSURANCE.** Subject to applicable law, or to a written waiver by Lender, Borrower shall pay to Lender in the lay monthly installments of principal and interest payable under the Note, and the Note is paid in full, a sum "Funds" equal to one-twelfth of the yearly taxes and assessments which are levied against the Property, and annual rents on the Property, if any, plus one-twelfth of yearly premium installments for fire and burglary insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated annually and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall pay the taxes, assessments, premiums, insurance, fire and burglary insurance, and ground rents. Lender may not charge for such bills and apply the Funds, including such amounts, in satisfying and complying with assessments and bills, unless Lender pays Borrower notice of the Funds and applicable law requires 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 by Borrower, and unless such agreement is made, or applicable law requires such interest to be paid by Lender, all interest accrued to pay Borrower's interest or charge on the Funds, Lender shall charge against the Funds, including interest on the Funds, on payments and debits to the Funds and the purpose of such debits to the Funds shall be the Funds are placed available to satisfy the claims secured by this Mortgage.

If the amount of the Funds held by Lender is not sufficient to pay the taxes, assessments, premiums, insurance, fire and burglary insurance, and ground rents as they fall due, or to pay the interest on the Funds, Lender shall be sufficient to pay taxes, assessments, premiums, insurance, fire and burglary insurance, as they fall due. Borrower shall pay to Lender and shall not deny or make up the deficiency within ten days from the date notice is made by Lender to Borrower regarding 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 to the Property is otherwise secured by Lender, Lender shall apply, and pay then immediately prior to the sale of the Property or its acquisition by Lender, any Funds held by Lender at the time of publication of 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 the interest due to Lender by Borrower under paragraph 2 hereof, then to interest payable on the Note, then to the principal of the Note, and then to interest and principal on any Future Advances.

4. **CHARGES, FEES.** Borrower shall pay all taxes, assessments, and other charges, fines and impositions attributable to the Property which may enter into payments over the Mortgage, and all other payments, charges and costs of any of the nature provided under paragraph 2 hereof or if not paid in such manner by Borrower making payment when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all Notices or notices under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts and receipts of such payments. Borrower 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 debt secured by such lien in a manner acceptable to Lender, or shall in good faith enter such lien by the judicial enforcement of such lien, and agree to execute such lien to prevent the enforcement of the lien or a feature of the Property or any part thereof.

5. **FIRE INSURANCE.** Borrower shall keep the improvements now existing hereon created on the Property insured against loss by fire, hazards included within the terms, extent of 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 without approval by Lender, provided that such approval shall not be unreasonably withheld. All premiums on such 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 promptly give 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 as economically feasible and the security of this Mortgage is not thereby impaired. If such restoration or repair is not economically feasible, and if the security of this Mortgage would be impaired, the insurance proceeds shall be applied to the sums secured by the 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 pay 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, LEASEHOLDS, 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 if this Mortgage is 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 bankrupt 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.