

UNIFORM COVENANTS, CONDITIONS AND RESTRICTIONS

1. **Payment of Principal and Interest.** Borrower shall pay to Lender the principal and interest on the indebtedness evidenced by the Note, preparation and late charges as provided in the Note, and the principal and interest on any Future Advance secured by this Mortgage.

2. **Funds for Taxes and Insurance.** Subject to applicable law, unless otherwise written herein by Lender, Borrower shall pay to Lender on the day monthly installments of principal and interest are payable under the Note until the Note is paid in full. The "Funds" shall equal to one twelfth of the yearly taxes and assessments which may attach to the Property, plus one twelfth of the yearly premium installments for hazard insurance, plus one twelfth of the yearly premium installments for mortgage insurance, if any, all as reasonably estimated initially 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 or the depository accounts of which are insured or guaranteed by 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 for so holding and applying the Funds, or for any said accounts, 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 to Borrower, and unless such agreement is made, no applicable law requires such interest to be paid. Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall advise Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the obligations secured by this Mortgage.

If the amount of the Funds held by Lender together with the amount of the 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, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower in monthly installments 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 the bill is mailed by Lender to Borrower requesting payment thereof.

Upon payment in full of all sums required by this Mortgage, Lender shall promptly refund to Borrower any Funds held by Lender. If under paragraph 1 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 sum 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 in payment of amounts payable 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; Liens.** Borrower shall pay all taxes, assessments and other charges, fines and penalties attributable to the Property which may attach to the Property under this Mortgage, and also all payments of ground rents, 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 Lender all notices of any taxes due under the state and local laws, and in the event Borrower shall make payment directly, Borrower shall promptly furnish Lender with proof of such payments. Borrower shall promptly discharge any lien which attaches as priority over this Mortgage, provided that Borrower shall not be required to discharge any such lien so long as Borrower is not at fault and the payment of the lien is not required by such state or federal statute or acceptable to Lender, or shall be paid to the extent of such lien in proceedings instituted by or on behalf of legal proceedings which operate to prevent the enforcement of the lien on the date of the Property is partitioned.

5. **Hazard Insurance.** Borrower shall keep the improvements which are on hereafter erected on the Property insured against loss by fire, hazards included within the term "extended 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 the amount of coverage required by the Uniform Building Code of this Mortgage.

The insurance coverage shall be maintained in the name of the Borrower or its agent, approved by Lender, provided that such approval shall not be required in the event of a change in ownership of the Property, and the proceeds shall be payable to the mortgagee or lender.

Annual insurance premiums and terms of the policy shall be made available to Lender and the Borrower shall receive a standard mortgage clause in favor of and in the name of Lender. Lender shall be deemed to have accepted the policy and to have waived thereon, and Borrower shall promptly furnish Lender with a copy of the policy and the policy proceeds. In the event of loss, Borrower shall give prompt notice to the insurer and Lender, and the proceeds of such loss shall be applied to the mortgage indebtedness of Borrower.

Unless Lender and Borrower agree in writing to the contrary, if any loss shall be sustained by the fire and lightning of the Property damaged, proceeds from the insurance shall be applied to the mortgage indebtedness of Borrower and thereby impaid. If such proceeds are not sufficient to pay the mortgage indebtedness of Borrower under this Mortgage, Lender shall thereupon take any legal proceedings to enforce the Mortgage, and Lender shall be deemed to have accepted the Mortgage, and the proceeds of such loss shall be applied to the mortgage indebtedness of Borrower. If the Property is sold or conveyed by Borrower or if Borrower dies, the proceeds of such loss shall be applied to the mortgage indebtedness of Borrower, and any amount of the insurance proceeds not so applied shall be paid to the estate of the insured and apply the insurance proceeds to Lender's satisfaction in the event of the sale of the Property or the date of the expiration of this Mortgage.

Unless Lender and Borrower agree in writing to the contrary, if any loss shall be sustained by the fire and lightning of the Property, the due date of the monthly payments provided for in paragraphs 1 and 2 hereof shall be extended to the extent of such loss to installments. If under paragraph 1 hereof the Property is sold or the Property is otherwise acquired by Lender, any Funds held by Lender and any insurance proceeds and income on the proceeds, which may be due to the mortgagee on the Property prior to the date of acquisition, shall pass to Lender to the extent of the amount secured by this Mortgage in the event of a sale or other disposition of the Property.

6. **Preservation and Maintenance of Property, Leaseholds, Condominiums, Planned Unit Developments.** Borrower shall keep the Property in good repair and shall be responsible for the preservation, maintenance and repair of the Property and shall comply with the provisions of any laws, rules and regulations of any governmental authority having jurisdiction over the Property, including but not limited to the provisions of any laws, rules and regulations of any governmental authority having jurisdiction over a planned unit development. Borrower shall be responsible for the preservation, maintenance and repair of the Property, including but not limited to the provisions of any laws, rules and regulations of any governmental authority having jurisdiction over a planned unit development, and condominiums. If any laws, rules and regulations of any governmental authority having jurisdiction over the Property are violated by Borrower and recorded in the Public Records, the covenants and agreements contained herein shall be deemed to be amended and shall amend and supplement the covenants and agreements of this Mortgage as if they were a part hereof.

7. **Protection of Lender's Security.** If Borrower fails to perform the covenants and agreements contained in the Mortgage, or if any of the provisions of this Mortgage are violated, or if Lender is otherwise advised that the security of the Property is otherwise jeopardized, Lender may, at Lender's option, upon notice to Borrower, make such arrangements, including the right to enter and take such actions as may be necessary to protect Lender's interest, and Lender shall be deemed to have accepted the same. Lender may also take such actions as may be necessary to protect Lender's interest, including the right to enter and take such actions as may be necessary to protect Lender's interest, and Lender shall be deemed to have accepted the same. Lender may also take such actions as may be necessary to protect Lender's interest, including the right to enter and take such actions as may be necessary to protect Lender's interest, and Lender shall be deemed to have accepted the same. Lender may also take such actions as may be necessary to protect Lender's interest, including the right to enter and take such actions as may be necessary to protect Lender's interest, and Lender shall be deemed to have accepted the same.

8. **Inspection.** Lender may make or cause to be made reasonable and appropriate inspections of the Property, provided that Lender shall advise Borrower in writing prior to any such inspection, specifically stating that a person or persons have been designated by Lender to inspect the Property.

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