

1019-154

as the Lender may require with an insurance company acceptable to Lender. The building and fixtures will be insured against loss by fire, flood (if the property is located in an area having special flood hazards) and all hazards insured by the usual policies to protect Lenders (often called "extended coverage"). I will cause the Lender to be named in the policy as Mortgagee and furnish the Lender a copy of the policy. I will show Lender the receipts for the payment of premiums within ten (10) days after Lender requests them.

**3. FAILURE OF BORROWER TO PAY TAXES OR MAINTAIN INSURANCE**

(A) **Taxes:** If I do not pay taxes, assessments (public and private), sewer rents, water rates and other governmental or municipal charges when due, the Lender at its option may require that I pay immediately the entire amount then remaining unpaid under the Note and under this Mortgage without making any further demand for payment or the Lender at its option may pay the same, and all sums so paid shall bear interest from the date of the advance at the same rate set forth in the Note and shall be secured by this Mortgage except as otherwise restricted by law.

(B) **Insurance:** If I do not maintain the required insurance on the property, the Lender, at its option may (1) require that I pay immediately the entire amount then remaining unpaid under the Note and under this Mortgage without making any further demand for payment, or (2) the Lender at its option may pay the insurance premium, or (3) the Lender may take out another policy. All sums which the Lender may advance for payment of premiums or a new policy shall bear interest from the date of the advance at the same rate set forth in the Note and shall be secured by this Mortgage except as otherwise restricted by law.

**4. AGREEMENTS ABOUT CONDEMNATION OF THE PROPERTY**

A taking of property by any governmental authority by eminent domain is known as "condemnation." I give to Lender my right (A) to proceeds of all awards or claims for damages resulting from condemnation or other governmental taking of the Property, and (B) to proceeds from a sale of the Property that is made to avoid condemnation. All of those proceeds will be paid to Lender.

If all of the Property is taken, the proceeds will be used to reduce the amount that I owe to Lender under the Note and under this Mortgage. If any of the proceeds remain after the amount that I owe to Lender has been paid in full, the remaining proceeds will be paid to me. Unless Lender and I agree otherwise in writing, if only a part of the Property is taken, the amount that I owe to Lender will only be reduced by the amount of proceeds multiplied by the following amount: (i) the total amount that I owe to Lender under the Note and under this Mortgage immediately before the taking, divided by (ii) the fair market value of the Property immediately before the taking. The remainder of the proceeds will be paid to me.

If I abandon the Property, or if I do not answer, within thirty (30) days, a notice from Lender stating that a governmental authority has offered to make a payment or to settle a claim for damages, then Lender has the authority to settle and collect the proceeds. Lender may then use the proceeds to repair or restore the Property or to reduce the amount that I owe to Lender under the Note and under this Mortgage. The 30-day period will begin on the date the notice is mailed, or if it is not mailed, on the date the notice is delivered.

If any proceeds are used to reduce the amount of principal which I owe to Lender under the Note, that use will not delay the due date or change the amount of any of my monthly payments under the Note and under Paragraphs 1 and 2 above. However, Lender and I may agree in writing to those delays or changes.

**5. NOTIFICATION OF LOSS OR DAMAGE TO PROPERTY**

I will promptly notify the Insurance Company and Lender if there is a loss or damage to the Property. If I do not promptly prove to the Insurance Company that the loss or damage occurred, then the Lender may do so.

**6. INSURANCE PROCEEDS FROM LOSS OR DAMAGE TO PROPERTY**

The amount paid by the insurance company in event of any loss or damage to the Property is called "proceeds". I direct and authorize the insurance company to issue its draft or check for any proceeds solely in the name of the Lender. The Lender shall, at its option, apply the proceeds to reduce the amount I owe on the Note; or, if the Lender and I agree in writing, to repair or to restore the damaged property. If any of the proceeds remain after the amount I owe to the Lender has been paid in full, the remaining proceeds will be paid to me. I will not settle a claim for insurance benefits without the Lender's approval. If I abandon the property, or if I do not answer, within thirty (30) days, a notice from the Lender stating that the insurance company has offered to settle a claim for insurance benefits, then the Lender has the authority to settle and collect the proceeds. Lender may then use the proceeds to repair or restore the Property or to reduce the amount that I owe to Lender under the Note and under this Mortgage. The thirty-day period will begin on the date the notice is mailed or, if it is not mailed, on the date the notice is delivered.

If any proceeds are used to reduce the amount of principal which I owe to the Lender under the Note, that use will not delay the due date or change the amount of any of my monthly payments under the Note and under Paragraphs 1 and 2 above. However, the Lender and I may agree in writing to those delays or changes.

If Lender acquires the Property by foreclosure or by a voluntary deed from me, all of my rights in the insurance policies will belong to the Lender. Also, all of my rights in any proceeds which are paid because of damage that occurred before the Property is acquired by Lender or sold will belong to Lender. However, Lender's rights in those proceeds will not be greater than the amount that I owe to the Lender under the Note and under this Mortgage immediately before the Property is acquired by Lender or sold.

**7. LENDER'S RIGHT TO TAKE ACTION TO PROTECT THE PROPERTY**

If: (A) I do not keep my promises and agreements made in this Mortgage, or (B) someone, including me, begins a legal proceeding that may significantly affect Lender's rights in the Property (such as, for example, a legal proceeding in bankruptcy, in probate, for condemnation, or to enforce laws or regulations), then Lender may take whatever action is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions under this Paragraph may include, for example, appearing in Court, paying reasonable attorney's fees, and entering on the Property to make repairs. Lender must give me notice before taking any of these actions.

I will pay to Lender any amounts, with interest, which Lender spends under this Paragraph. This Mortgage will protect Lender in case I do not keep this promise to pay those amounts with interest.

I will pay those amounts to Lender when Lender sends me a notice requesting that I do so. I will also pay interest on those amounts at the same rate stated in the Note. However, if payment of interest at that rate would violate the law, I will pay interest on the amounts spent by Lender under this Paragraph at the highest rate that the law allows. Interest on each amount will begin on the date that the amount is spent by Lender. However, Lender and I may agree in writing to terms of payment that are different from those in this Paragraph.

Although Lender may take action under this Paragraph, Lender does not have to do so.

**8. BORROWER'S DEFAULT AND WHOLE BALANCE DUE**

If I fail to make any payment of either principal or interest within ten (10) days from the time it is due (if this Mortgage protects a consumer loan, then if I fail to pay the amount required to cure the default within that time period specified in the Notice of Cure or ever default in payment on this loan again) or the prospect of payment, performance or realization of the Property (collateral) is significantly impaired as for example:

1. I file or someone else puts me in bankruptcy, insolvency or receivership, or
  2. I break any promise in any other agreements I have with the Lender (including other loans), or
  3. I made any statement or misrepresentation to Lender in connection with this loan which is false or incorrect in any material respect, or
  4. I violate or fail to comply with or perform any of the terms or provisions of this Mortgage and the Note it secures.
- The Lender, at its option, may require that I pay immediately the entire amount then remaining unpaid under the Note and under this Mortgage. The Lender shall exercise its option by giving me written notice of its election. This requirement will be called Immediate Payment in Full.

ESTIO

1328 NY 3