2. Funds for Taxes and Insurance. [illegible]

[illegible] pledged as additional security hereunder for the Mortgage.

If the amount of the Funds held by Lender [illegible] sums paid to Borrower [illegible] pay taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be credited to Borrower [illegible] Borrower [illegible] sufficient to make up the deficiency [illegible] Borrower [illegible] necessary to make up the deficiency [illegible] Borrower [illegible] payment.

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 [illegible] 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. [illegible] Note and paragraphs 1 and 2 hereof [illegible] Borrower [illegible] paragraph 2 hereof, then to interest payable on the Note, and to the principal of the Note, and to the principal of Future Advances, [illegible]

4. Charges; Liens. Borrower [illegible] payable to the Property which may attain priority over this Mortgage, and Borrower [illegible] provided under paragraph 2 hereof, or if not paid in such manner, Borrower shall promptly furnish to Lender [illegible] payment thereof [illegible] Borrower [illegible] which may attain priority over this Mortgage, and Borrower shall [illegible] Borrower shall promptly discharge any lien which has priority over this Mortgage; provided, however, that Borrower shall not be required to discharge any such lien so long as Borrower shall agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, but only so long as Borrower shall contest, in good faith, 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 [illegible] 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, but shall not be required to exceed the amount of such coverage required that would be adequate to protect the mortgage interest of Lender. All insurance policies and renewals thereof shall be in form acceptable to Lender, provided that such policies shall be subject to the mortgage clause provided under paragraph 2 hereof in favor of Lender. Borrower [illegible] standard mortgage clause in favor of and in form acceptable to Lender. Lender [illegible] and Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give immediate 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 or Lender's security would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, 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 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 in force shall pass to the purchaser.

6. Preservation and Maintenance of Property; Leaseholds; Condominiums. Borrower shall keep the Property in good repair and shall not permit or commit waste. If this Mortgage is on a leasehold, Borrower shall comply with the provisions of any lease. If this Mortgage is on a leasehold, Borrower shall perform all of Borrower's obligations under the declaration of condominium, the by-laws and regulations of the condominium project and constituent documents.

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 actions as is necessary to protect Lender's interest, including, but not limited to, disbursement of reasonable attorneys' fees and entry upon the Property to make repairs. Any amounts disbursed by Lender pursuant to this paragraph 7, with interest thereon, shall become additional indebtedness of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Borrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate stated in the Note unless payment of interest at such rate would be contrary to applicable law, in which event such amounts shall bear interest at the highest rate permissible under applicable law. Nothing contained in this paragraph 7 shall require Lender to incur any expense or do any act hereunder.

8. Inspection. Lender may make or cause to be made reasonable entries upon and inspections of the Property, provided that Lender shall give Borrower notice prior to any such inspection specifying reasonable cause therefor related to Lender's interest in the Property.

9. Condemnation. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of the Property, or part thereof, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, there shall be applied to the sums secured by this Mortgage such portion of the proceeds as is equal to that proportion

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