Lender's written agreement or applicable law. Borrower shall pay the amount of all mortgage hismanice premiums in the

manner provided under paragraph 2 hereof

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 Fender agree to other terms of payment, such amounts shall be payable upon notice from Lender to Horrower requesting payment thereof, and shall bear interest from the date of disbursement at the rate payable from time to time on outstanding principal under the Note inless 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 take

any action hereunder. 8. Inspection. I ender 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 hea 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 proportion of the proceeds as is equal to that proportion which the amount of the sums secured by this Mortgage immediately prior to the date of taking bears to the fair market value of the Property immediately prior to the date of taking, with the balance of the proceeds paid to Borrower.

If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages. Borrower fails to respond to Lender within 30 days after the date such notice is mailed. Lender is authorized to collect and apply the 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 sigh installments.

10. Borrower Not Released. Extension of the time for payment or modification of amortization of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be required to commence proceedings against such successor or refuse to extend time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower and Borrower's successors in interest.

11. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any right or remedy hereunder, or otherwise afforded by applicable law, shall not be a waiver of or preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other liens or charges by Lender shall not be a waiver of Lender's

right to accelerate the maturity of the indebtedness secured by this Mortgage

12. Remedies Cumulative. All remedies provided in this Mortgage are distinct and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. Successors and Assigns Bound: Joint and Several Liability: Captions. The covenants and agreements herein contained shall hind, and the rights hereunder shall inure to, the respective successors and assigns of Lender and Borrower. subject to the provisions of paragraph 17 hereof. All covenants and agreements of Borrower shall be joint and several. The captions and headings of the paragraphs of this Mortgage are for convenience only and are not to be used to interpret or define the provisions hereof.

14. Notice. Except for any notice required under applicable has to be given in another manner, (a) any notice to Borrower provided for in this Mortgage shall be given by mading such notice by certified mail addressed to Borrower at the Property Address or at such other address as Borrower may designate by notice to Lender as provided herein, and the any notice to Lender shall be given by certified mail, return receipt requested, to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided forein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given in the manner designated herein.

15. Uniform Mortgage: Governing Law: Severability. This forms of mortgage combines uniform covenants for national use and non-uniform covenants with limited variations by purisdiction to constitute a uniform security instrument covering real property. This Mortgage shall be governed by the law of the purisdiction in which the Property is located. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to this end the provisions of the Mortgage and the Note are declared to be severable

16. Borrower's Copy. Borrower shall be furnished a conformed copy of the Note and of this Mortgage at the time

of execution or after recordation hereof.

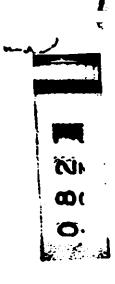
17. Transfer of the Property: Assumption. If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written coment, excluding (a) the creation of a lien or encumbrance subordinate to this Mortgage, (b) the creation of a purchase money security interest for household appliances, (c) a transfer by devise, descent or by operation of law upon the death of a joint tenant or (1) the grant of any leasehold interest of three years or less not containing an option to purchase. Lender may, at Lender's option, declare all the sums secured by this Mortgage to be immediately due and payable. Lender shall have waised such option to accelerate if, prior to the sale or transfer. Lender and the person to whom the Property is to be sold or transferred reach agreement in writing that the credit of such person is satisfactory to Lender and that the interest payable on the sums secured by this Mortgage shall be at such rate as Lender shall request. If Lender has waived the option to accelerate provided in this paragraph 17, and if Borrower's successor in interest has executed a written assumption agreement accepted in writing by Lender, Lender shall release Borrower from all obligations under this Mortgage and the Note.

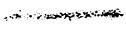
If Lender exercises such option to accelerate. Lender shall mail Borrower notice of acceleration in accordance with paragraph 14 hereof. Such notice shall provide a period of not less than 30 days from the date the notice is mailed within which Borrower may pay the soms declared due. If Borrower fails to pay such soms prior to the expiration of such period, Lender may, without further notice or demand on Borrower, masks any remedies permitted by paragraph 18 hereof.

Now Unitsofts Confinence Borrower and Lender turther covenant and agree as follows:

18. Acceleration: Remedies. Except as provided in puragraph 17 hereof. ( or agreement of Borrower in this Mortgage, including the covenants to pay when due any sums secured by this Mortgage. Lender prior to acceleration shall mail notice to Borrower as provided in paragraph 14 hereof specifying: (1) the breach: (2) the action required to cure such breach: (3) a date, not less than 30 days from the date the notice is mailed to Borrower. by which such breach must be cured; and (4) that failure to cure such breach on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreebpure by judicial proceeding and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to accert in the forechoure proceeding the non-existence of a default or any other defense of Borrower to acceleration and foreclosure. If the breach is not cured on or before the date specified in the notice. I ender at I ender's option may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may forecline this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of forechouse, including, but not limited to, remonable attorney's fees, and costs of documentary evidence, abstracts and title reports, all of which shall be additional sums secured by this Mortgage.

19. Borrower's Right to Reinstate. Notwithstanding Lender's successful of the view secured by this Mortgage. Borrowe, shall have the right to have any proceedings begun by Leader to enforce the Morrange discount sed at any time







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