

Lender's written agreement and applicable law. Borrower shall have the right to demand payment of all sums secured by this Mortgage under paragraph 2 hereof.

Any amount so demanded by Lender plus interest thereon shall become additional sums secured by this Mortgage. Lender may at Lender's option agree to other terms of payment if Lender's consent shall be payable, prior notice from Lender to Borrower of the payment of such amounts to Lender, the date of disbursement at the rate payable from time to time on the principal under 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 take any action hereunder.

8. Inspection. Lender may make or cause to be made such examinations and inspections of the Property, provided that Lender shall give Borrower notice prior to the date of inspection, and to the reasonable use thereof related to Lender's interest in the Property.

9. Condemnation. The proceeds of any award or other damages directed to Lender in connection with any condemnation or other taking of the Property or part thereof after service of notice 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 in 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 abandoned 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 such 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 default 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 construed to include the exercise of any such right or remedy. The commencement of the payment of taxes or other 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 cumulative and, in addition to any other right or remedy under this Mortgage or afforded by law, may be exercised, singly or independently or successively.

13. Successors and Assigns Bound; Joint and Several Liability; Cognovit. The covenants and agreements herein contained shall bind and the rights and duties of the parties hereunder shall be binding upon the respective successors and assigns of Lender and Borrower subject to the provisions of paragraph 17 hereof. All obligations 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 the notice required under paragraph 8 hereof to be given in another manner, no notice to Borrower provided for in this Mortgage shall be required to be given by certified mail, addressed to Borrower at the Property Address or at such other address as Borrower may designate in writing to Lender as provided herein, and the same notice to Lender shall be given by certified mail, addressed to Lender's address stated herein or to such other address as Lender may designate in writing to Borrower upon demand therefor. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower if deposited in the United States Air Mail envelope.

15. Uniform Mortgage Governing Law; Severability. This Mortgage shall be governed by the laws of the state in which it is executed and the laws of the state in which the Property is located, in both events notwithstanding any provision to the contrary contained in this Mortgage. This Mortgage shall be construed and interpreted in accordance with the laws of the state in which the Property is located. In the event that any provision of this Mortgage is held invalid or unenforceable under applicable law, such provision shall not affect other provisions of this Mortgage, and the remaining provisions of this Mortgage shall remain valid and in full force and effect and the provisions of this Mortgage shall be construed and interpreted to the extent possible.

16. Borrower's Copy. Borrower shall receive a copy of the original of the Note, and of this Mortgage, at the time of execution hereof, and no later.

17. Transfer of the Property; Assumption. If during the term of this Mortgage any interest in the Property is transferred by Borrower to Lender, prior to acceleration, Lender may require Borrower to execute and deliver to Lender a supplemental mortgage agreement to add such interest to this Mortgage. If the credit of the property is not sufficient to satisfy the obligation of Borrower to Lender, Lender may require Borrower to pay to Lender the amount of the deficiency, or to transfer to Lender the property, or to do any other thing necessary to satisfy the obligation of Borrower to Lender. If the credit of the property is sufficient to satisfy the obligation of Borrower to Lender, Lender shall allow Borrower to retain all other property covered by this Mortgage and the Note.

If Lender consents to the transfer of the property, Lender shall not be liable for any breach of this Mortgage subsequent to the date of transfer, except as provided in paragraph 14 hereof. Such consent by Lender shall not be unreasonably withheld, delayed or refused, but Lender may withhold such consent if Lender reasonably believes that the transfer will impair the security of Lender or Lender may withhold such consent if Lender reasonably believes that the transfer will impair the security of Lender.

New Standard Covenants. Borrower shall agree to the following standard covenants:

18. Acceleration; Remedies. Except as provided in paragraph 17 hereof, upon Borrower's breach of any covenant 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, foreclosure 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 assert in the foreclosure 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, Lender at Lender's option may declare all of the sums secured by this Mortgage to be immediately due and payable without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect in such proceeding all expenses of foreclosure, including, but not limited to, reasonable 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. Upon acceleration, Lender may require Borrower to reinstate the Note and the Mortgage by paying all sums then due and owing under the Note and the Mortgage, together with all interest and other amounts due thereunder, and all costs and expenses of collection, including attorney's fees.

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