

Lender's written agreement or applicable law. Borrower shall pay the amount of all such taxes, charges and expenses as provided in paragraph 2 hereof.

Any amounts disbursed by Lender pursuant to this paragraph 7 with respect to any such taxes, charges and expenses of Borrower secured by this Mortgage. Unless Borrower and Lender agree in writing, all such amounts shall be payable upon receipt from Lender of a written demand for payment of such amounts on the date of disbursement at the rate payable from time to time on outstanding 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 reasonable entries upon and inspections of the Property provided that Lender shall give Borrower notice prior to any such entry or inspection to a reasonable cause thereof 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 convenience when such condemnation or other taking is assumed 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 condemner 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 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, nor preclude the exercise of any such right or remedy. The procurement of insurance or the payment of taxes or other fees 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, and may be used, and exercised, independently or concurrently.

**13. Successors and Assigns Bound; Joint and Several Liability; Captions.** The covenants and agreements herein contained shall bind, 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 law to be given in another manner, all notices to Borrower provided for in this Mortgage shall be given by registered mail, or 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 any notice to Lender shall be given by certified mail, or by registered mail, addressed to Lender's address stated herein or to such other address as Lender may designate by notice to Borrower as provided herein. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender, as the case may be, on the date so designated herein.

**15. Uniform Mortgage; Governing Law; Severability.** This Mortgage is a uniform mortgage instrument covering real property. This Mortgage shall be governed by the law of the State of New York, and the Property is located in the State of New York. In the event that any provision of this Mortgage or the Note is held to be unenforceable under applicable law, such holding shall not affect other provisions of this Mortgage or the Note, and the enforceable provisions of this Mortgage shall survive and to this end the provisions of this Mortgage and the Note are intended to be severable.

**16. Borrower's Copy.** Borrower shall retain a copy of this Mortgage and the Note, and shall provide a copy of this Mortgage and the Note to each lender or other party to whom the Property is transferred.

**17. Transfer of the Property; Assumption.** If the Property is transferred, in whole or in part, to another person, or if the Property is transferred by Borrower with the Lender's prior written consent, the transferee shall assume the obligations of Borrower under this Mortgage, and the transferee shall be deemed to have assumed the obligations of Borrower under this Mortgage by doing so. In the event of a transfer of the Property, the transferee shall be deemed to have assumed the obligations of Borrower under this Mortgage by doing so, and the transferee shall be deemed to have assumed the obligations of Borrower under this Mortgage by doing so, and the transferee shall be deemed to have assumed the obligations of Borrower under this Mortgage by doing so. Lender may, at Lender's option, require the transferee to pay to Lender the sums secured by this Mortgage to be immediately disbursed and payable. Lender shall have no obligation to disburse such sums to the transferee. Lender and the person to whom the Property is transferred shall execute an assumption agreement, stating that the transferee of such property is satisfactory to Lender and that the transferee of such property shall assume the obligations of Borrower under this Mortgage, and that the transferee of such property shall assume the obligations of Borrower under this Mortgage, and that the transferee of such property shall assume the obligations of Borrower under this Mortgage. If Lender has waived the application of paragraph 17, and if Borrower's obligation of interest has expired, a written assumption agreement executed by the transferee of such property shall release Borrower from all obligations under this Mortgage and the Note.

If Lender exercises such option, the transferee of such property shall be deemed to have assumed the obligations of Borrower under this Mortgage, and the transferee shall be deemed to have assumed the obligations of Borrower under this Mortgage by doing so, and the transferee shall be deemed to have assumed the obligations of Borrower under this Mortgage by doing so, and the transferee shall be deemed to have assumed the obligations of Borrower under this Mortgage by doing so. Lender may, at Lender's option, require the transferee to pay to Lender the sums secured by this Mortgage to be immediately disbursed and payable. Lender shall have no obligation to disburse such sums to the transferee. Lender and the person to whom the Property is transferred shall execute an assumption agreement, stating that the transferee of such property is satisfactory to Lender and that the transferee of such property shall assume the obligations of Borrower under this Mortgage, and that the transferee of such property shall assume the obligations of Borrower under this Mortgage, and that the transferee of such property shall assume the obligations of Borrower under this Mortgage. If Lender has waived the application of paragraph 17, and if Borrower's obligation of interest has expired, a written assumption agreement executed by the transferee of such property shall release Borrower from all obligations under this Mortgage and the Note.

**NOTICE TO BORROWERS.** Borrower and Lender agree to the following provisions:

**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 Reinstale.** Notwithstanding any provision to the contrary in this Mortgage or the Note, Borrower shall have the right to reinstate this Mortgage and the Note at any time by paying to Lender the sums secured by this Mortgage and the Note, and the costs of documentary evidence, abstracts and title reports, all of which shall be additional sums secured by this Mortgage.

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