

UNIFORM COVENANTS, Borrower and Lender to execute and record the following:

1. **Payment of Principal and Interest.** Borrower shall promptly pay to Lender the principal and interest on the indebtedness evidenced by the Note, prepayment and late charges as provided in the Note, and the principal and interest on any Future Advances secured by this Mortgage.

2. **Funds for Taxes and Insurance.** Subject to applicable law or to a written waiver by Lender, Borrower shall pay to Lender on the day monthly installments of principal and interest are payable under the Note until the Note is paid in full a sum (herein "Funds") equal to one-twelfth of the yearly taxes and assessments which may attain priority over this Mortgage, and ground rents on the Property, if any, plus one-twelfth of yearly premium installments for hazard insurance, plus one-twelfth of yearly premium installments for mortgage insurance, if any, all as reasonably estimated, and from time to time by Lender on the basis of assessments and bills and reasonable estimates thereof.

The Funds shall be held in an institution the deposits or accounts of which are insured or guaranteed by a Federal or state agency (including Lender if Lender is such an institution). Lender shall apply the Funds to pay said taxes, assessments, insurance premiums and ground rents. Lender may not charge for so holding and applying the Funds, analyzing said account, or verifying and compiling said assessments and bills, unless Lender pays Borrower interest on the Funds and applicable law permits Lender to make such a charge. Borrower and Lender may agree in writing at the time of execution of this Mortgage that interest on the Funds shall be paid to Borrower, and unless such agreement is made, or applicable law requires such interest to be paid, Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall give to Borrower, without charge, an annual accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Funds was made. The Funds are pledged as additional security for the sums secured by this Mortgage.

If the amount of the Funds held by Lender, together with the future monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and ground rents, shall exceed the amount required to pay said taxes, assessments, insurance premiums and ground rents as they fall due, such excess shall be, at Borrower's option, either promptly repaid to Borrower or credited to Borrower on monthly installments of Funds. If the amount of the Funds held by Lender shall not be sufficient to pay taxes, assessments, insurance premiums and ground rents as they fall due, Borrower shall pay to Lender any amount necessary to make up the deficiency within 30 days from the date notice is mailed by Lender to Borrower requesting payment thereof.

Upon payment in full of all sums secured by this Mortgage, Lender shall promptly return to Borrower any Funds held by Lender. If under paragraph 18 hereof the Property is sold or the Property is otherwise acquired by Lender, 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.** Unless applicable law provides otherwise, all payments received by Lender under the Note and paragraphs 1 and 2 hereof shall be applied by Lender first in payment of amounts payable to Lender by Borrower under paragraph 2 hereof, then to interest payable on the Note, then to the principal of the Note, and then to interest and principal on any Future Advances.

4. **Charges; Liens.** Borrower shall pay all taxes, assessments and other charges, fines and impositions attributable to the Property which may attain a priority over this Mortgage, and leasehold payments or ground rents if any, in the manner provided under paragraph 2 hereof, or if not paid in such manner, by Borrower making payment, when due, directly to the payee thereof. Borrower shall promptly furnish to Lender all notices of amounts due under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts evidencing such payments. Borrower shall promptly discharge any lien which has priority over this Mortgage, provided that Borrower shall not be required to discharge any such lien so long as Borrower shall elect in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall in good faith contest 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 shall keep the improvements to the existing hereafter erected on the Property insured against loss by fire, hazards included within the terms of standard coverage, and such other hazards as Lender may require and in such amounts and for such periods as Lender may require, provided that Lender shall not require that the amount of such coverage exceed that amount of coverage required to pay the sums secured by this Mortgage.

The insurance carrier providing the insurance shall be chosen by Borrower subject to approval by Lender, provided that such approval shall not be unreasonably withheld. All terms, conditions, coverages and exclusions of the policies shall be paid in the manner provided under paragraph 2 hereof, or if not paid in such manner, by Borrower making payment, when due, directly to the insurance carrier.

All insurance policies and renewals thereof shall be submitted to Lender and shall include a standard mortgage clause in favor of, and not to the detriment of, Lender. Lender may require that the policies and renewals thereof, and Borrower shall promptly furnish to Lender a copy of each policy and renewal policy. In the event of loss, Borrower shall give prompt notice to the insurance carrier of the loss and shall cooperate in the investigation and settlement of the loss.

Unless Lender and Borrower otherwise agree in writing, in any policy which is applied to restoration or repair of the Property damaged, proceeds shall not be available for the restoration or repair of the Property, and the amount of this Mortgage is not thereby impaired. If such loss or damage to the Property occurs, the amount of the sums secured by this Mortgage would be impaired, the insurance proceeds shall be applied to the principal of this Mortgage, with the excess, if any, paid to Borrower. If the Property is damaged to the extent that Borrower is unable to pay to Lender within 30 days from the date notice is mailed by Lender to Borrower the full amount of the insurance proceeds, Lender is authorized to collect and apply the proceeds, or proceeds of a suit to restoration or repair of the Property or to the sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, the application of proceeds to principal shall not extend or postpone the due date of the monthly installments hereunder, as provided in paragraphs 1 and 2 hereof, or change the amount of such installments. If under paragraph 18 hereof the Property is sold or the Property is otherwise acquired by Lender, 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.

6. **Preservation and Maintenance of Property; Leaseholds; Condominiums; Planned Unit Developments.** Borrower shall keep the Property in good repair and shall not let the same become a public nuisance or a detriment to the neighborhood. Borrower shall comply with the provisions of any lease of this Mortgage, and shall comply with the provisions of any deed, declaration, articles of incorporation, and covenants, conditions and restrictions, or any other instrument, relating to the Property, if the Property is a leasehold, condominium or planned unit development. Borrower shall execute and record any instrument, including a deed, required to carry out the provisions of the deed, declaration, articles of incorporation, and covenants, conditions and restrictions, or any other instrument, relating to the Property, if the Property is a leasehold, condominium or planned unit development, provided that the instrument is executed by Borrower and recorded together with this Mortgage, the deed, declaration, articles of incorporation, and covenants, conditions and restrictions, or any other instrument, shall be incorporated into and shall amend and supplement the covenants, conditions and restrictions of this Mortgage as if they were a part hereof.

7. **Protection of Lender's Security.** If Borrower is or becomes a partner, officer, director, trustee, administrator, assignee, or agent of the Mortgage, or if any action or proceeding is commenced against or against the estate of any such partner, officer, director, trustee, administrator, assignee, or agent of the Mortgage, including, but not limited to, an action or proceeding for the liquidation, reorganization, receivership, insolvency, or bankruptcy of any such partner, officer, director, trustee, administrator, assignee, or agent of the Mortgage, or if any such partner, officer, director, trustee, administrator, assignee, or agent of the Mortgage is or becomes a bankrupt or decedent, then Lender, at Lender's option, may, without notice to Borrower, and without regard to applicable laws, sue and take such action as is necessary to protect Lender's interest in the Property, including, but not limited to, the taking of any action or proceeding to enforce the condition of making the loan secured by this Mortgage. Borrower shall pay the cost of any such action or proceeding, including reasonable attorney's fees and costs, plus the Property's monthly payments. If Lender is notified of any such action or proceeding, Lender shall have the right to take any such action or proceeding to enforce the condition of making the loan secured by this Mortgage. Borrower shall pay the cost of any such action or proceeding, including reasonable attorney's fees and costs, plus the Property's monthly payments. If Lender is notified of any such action or proceeding, Lender shall have the right to take any such action or proceeding to enforce the condition of making the loan secured by this Mortgage. Borrower shall pay the cost of any such action or proceeding, including reasonable attorney's fees and costs, plus the Property's monthly payments.

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