

of the Property secured by this Mortgage shall be deemed to be the fair market value of the Property immediately prior to the date of the triggering event set forth in Paragraph 10 hereof.

If the Property is sold by Borrower or the estate of Borrower, the proceeds of such sale shall be applied to the discharge of the obligations secured by this Mortgage in the order of priority set forth in Paragraph 10 hereof. If the proceeds of such sale are insufficient to discharge the obligations secured by this Mortgage, the deficiency shall be paid by Borrower or the estate of Borrower.

Unless Lender or Borrower otherwise agrees in writing, the obligations secured by this Mortgage shall be deemed to be secured by the Property and shall be deemed to be secured by the proceeds of the sale of the Property.

10. Borrower Not Released. Extension of the term of this Mortgage, or any other action taken by the Lender pursuant to this Mortgage, shall not constitute a release of Borrower or any other person from the obligations secured by this Mortgage. Borrower and Borrowers successors, assigns and transferees shall remain obligated to pay the principal and interest on the obligations secured by this Mortgage to the extent of any demand made by the original Borrower and Borrowers successors and assigns.

11. Forbearance by Lender Not a Waiver. Any forbearance by Lender in exercising any rights herein or otherwise afforded by applicable law shall not constitute a waiver of any rights hereunder. The payment of any sums or the payment of taxes or other charges to Lender shall not constitute Lender's duty to accelerate the maturity of the indebtedness secured by this Mortgage.

12. Remedies Cumulative. All remedies provided in this Mortgage shall be in addition to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised or asserted cumulatively and successively.

13. Successors and Assigns Bound; Joint and Several Liability; Captions. The covenants and agreements herein contained shall bind and their heirs, executors, administrators, assigns and transferees, including 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 several parts of this Mortgage are for identification only and shall not control the construction of the provisions hereof.

14. Notice. Any notice to Borrower provided for in this Mortgage shall be given by registered mail, by certified mail addressed to Borrower at the Property Address set forth herein, or by any other method set forth in Paragraph 18 hereof to be given to Borrower at the address provided by applicable law. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower when given in the manner herein provided.

15. Uniform Mortgage; Governing Law; Severability. This form of mortgage and the uniform covenants for national use and uniform covenants with related provisions are intended to conform to the Uniform Mortgage Act and the Uniform Real Property Law. This Mortgage shall be governed by the law of the state in which the Property is located. In the event that any provision or clause of this Mortgage or the Note conflicts with any applicable law, such conflict shall not affect the other provisions of this Mortgage or the Note which can be given effect without the conflict. The provisions of this Mortgage and the Note are declared to be severable.

16. Borrower's Copy. Borrower shall be furnished a copy of this Mortgage at the time of execution or after recordation hereof.

17. Transfer of the Property; Assumption. If at any time the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, including the recording of a lien or encumbrance subordinate to this Mortgage, and the operation of a purchase money security interest for unpaid purchase price, or a transfer by devise, descent or by operation of law upon the death of a person entitled to the grant of any leasehold interest of three years or less not constituting 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 a vested option to accelerate all or part of the sums secured by this Mortgage, and the person to whom the Property is to be sold or transferred shall agree in writing that the grant of such option is a concession 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 successors or transferees have 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 sums declared due. If Borrower fails to pay such sums prior to the expiration of such period, Lender may, without further notice or demand on Borrower, invoke any remedies permitted by paragraph 18 hereof.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

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 thirty 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 and sale of the Property. 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 proceedings. Lender shall be entitled to collect in such proceedings 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. Notwithstanding Lender's acceleration of the sums secured by this Mortgage, Borrower shall have the right to have any proceedings begun by Lender to enforce this Mortgage discontinued at any time prior to entry of a judgment enforcing this Mortgage if: (a) Borrower pays Lender all sums which would be then due under this Mortgage, the Note and notes securing Future Advances, if any, had no acceleration occurred; (b) Borrower cures all breaches of any other covenants or agreements of Borrower contained in this Mortgage; (c) Borrower pays all reasonable expenses incurred by Lender in enforcing the covenants and agreements of Borrower contained in this Mortgage and in enforcing Lender's remedies as provided in paragraph 18 hereof, including, but not limited to, reasonable attorney's fees; and (d) Borrower takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's interest in the Property and Borrower's obligation to pay the sums secured by this Mortgage shall continue unimpaired. Upon such payment and cure by Borrower, this Mortgage and the obligations secured hereby shall remain in full force and effect as if no acceleration had occurred.

20. Assignment of Rents; Appointment of Receiver. As additional security hereunder, Borrower hereby assigns to Lender the rents of the Property, provided that Borrower shall, prior to acceleration under paragraph 18 hereof or abandonment of the Property, have the right to collect and retain such rents as they become due and payable.

Upon acceleration under paragraph 18 hereof or abandonment of the Property, Lender shall be entitled to have a receiver appointed by a court to enter upon, take possession of and manage the Property and to collect the