

which the amount of the sums secured by this Mortgage is not to be reduced by the value of the Property in the event of a foreclosure sale of the Property.

If the Property is damaged by fire or other cause, the Lender, at its option, may make an award or other arrangement for damages. Borrower shall be bound to lend, in the event of the destruction of the Property, the Lender's authority to collect and apply the proceeds of the sale of the Property to the sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, no application of proceeds from the sale of the Property shall extend or postpone the due date of the monthly payments referred to in paragraph 10 hereof.

10. Borrower Not Released. Extension of the term of the Mortgage or any other act of the Lender in connection with the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not constitute a release of the original Borrower and Borrowers' obligations to Lender until the date of the original Borrower's death. Lender shall not be bound by any release, payment or other act of any successor in interest of the original Borrower or any other person in connection with the Mortgage, except as expressly provided in any document made by the original Borrower and Borrowers.

11. Forbearance by Lender Not a Waiver. Any forbearance by Lender to exercise any right or remedy hereunder or otherwise afforded by applicable law shall not be a waiver of or relief from the exercise of any such right or remedy. The agreement of Lender to the payment of taxes or other liens or charges by Lender shall not constitute 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 and the Note, together with any other right or remedy under this Mortgage or afforded by law or equity, shall be cumulative and not exclusive of any other remedy.

13. Successors and Assigns Bound; Joint and Several Liability; Options. The covenants and agreements herein contained shall bind and the rights hereunder shall accrue to the respective successors and assigns of Lender and Borrower, subject to the provisions of paragraph 17 hereof. All payments and proceeds of Borrower shall be joint and several. The covenants and headings of the paragraphs of this Mortgage are for convenience only and do not take effect to alter or modify the provisions hereof.

14. Notice. Any notice to Borrower provided for in this Mortgage shall be given by mailing and return by certified mail addressed to Borrower at the Property Address stated in paragraph 18 hereof, or to the address in paragraph 18 hereof to be given to Borrower in the event of a change of address by Borrower. Any notice to Lender in this Mortgage shall be deemed to have been given to Lender when given to the address designated hereof.

15. Uniform Mortgage; Governing Law; Severability. This Mortgage is a uniform mortgage instrument for national use and conforming to certain uniform provisions for the purpose of facilitating the financing of real property. This Mortgage shall be governed by the law of the State of the location of the Property hereunder. In the event that any provision or type of this Mortgage or the Note conflicts with any applicable law or public policy, the provisions of this Mortgage or the Note which can be given effect without the conflict shall survive and the other provisions of the 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 is sold or otherwise transferred by Borrower without Lender's prior written consent, including the sale of the Property to a relative of Borrower, the Mortgage shall be assumed by the purchaser or other transferee of the Property.

In the event of a purchase or other transfer for value of the Property, the transferee shall be deemed to have accepted the Mortgage by operation of law upon the death of a purchaser or the grant of any interest in the Property to a transferee in possession or less than accepting 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 valid and enforceable lien on the Property hereunder. Lender, at its option, to whom the Property is to be sold or transferred or assigned, may require the transferee to assume the Mortgage and that the interest payable on the sums secured by this Mortgage shall be paid to the transferee. If Lender has waived the option to accelerate provided in this paragraph 17 and a Borrower is unable to obtain a transferee to assume the Mortgage, Lender may, at its option, accept in writing by Lender Lender shall release Borrower from all obligations secured by this Mortgage and the Note.

If Lender refuses to accept a transferee to assume the Mortgage, Lender shall, at its option, require the transferee to assume the Mortgage with paragraph 14 hereof. Such transferee shall provide a record of the mortgage to the transferee, the mortgage shall be made within which Borrower may pay the sums secured by it. If Borrower fails to pay the sums secured by the mortgage, Lender may, without further notice or demand on Borrower, make any remedies available to it under 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 notice 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 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. Notwithstanding Lender's acceleration of the sums secured by this Mortgage, Borrower shall have the right to reinstate this Mortgage by Lender if, before the Mortgage is discontinued at any time prior to entry of a judgment enforcing this Mortgage, (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

9667

4329 RV-2