

of the sum of the sums secured by this Mortgage, and the sum of the sums secured by the first mortgage of the Property is not fully paid prior to the date of taking with the balance of the sums secured by this Mortgage.

If the Property is damaged by Borrower or other person by the fault of Borrower, that the original Borrower offers to make an award or settle a claim for damages, Borrower fails to request to Lender within thirty days of the date of such damage, Lender is authorized to collect and apply the proceeds of Lender's action to the satisfaction of the sums secured by this Mortgage.

Unless Lender and Borrower otherwise agree in writing, any 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 term, the payment or modification or substitution of the sums secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not constitute a release, in any manner, the liability of the original Borrower and Borrower's successors in interest. Lender shall not be bound to commence proceedings against such successor or refuse to extend time for payment of obligations or modify or substitute 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 of or an acknowledgment of any right or remedy hereunder. The procurement of payment or the payment of taxes or other liens 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, in addition and cumulative to any other right or remedy under this Mortgage or afforded by law or equity, and may be exercised concurrently, independently or successively.

13. Successors and Assigns Bound; Joint and Several Liability; Options. The covenants and agreements herein contained shall bind and the rights hereunder shall inure to the benefit of the 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 conditions and headings of the paragraphs of this Mortgage are for identification only and are not to be used to interpret or define the provisions hereof.

14. Notice. Any notice to Borrower provided for in this Mortgage shall be given by sending such notice by certified mail addressed to Borrower at the Property Address stated hereon, except for notices required by paragraph 18 hereof to be given to Borrower at the address prescribed by applicable law. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower when given in the manner designated herein.

15. Uniform Mortgage; Governing Law; Severability. This form of mortgage embodies uniform covenants for national use and non-uniform covenants with limited variations by modification to constitute a uniform security instrument covering real property. This Mortgage shall be governed by the law of the jurisdiction in which the Property is located. In the event that any provision or clause of this Mortgage or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision, and to the end the provisions of the Mortgage and the Note are declared to be severable.

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

17. Transfer of the Property; Assumption. If all or any part of the Property or an interest therein is sold or transferred by Borrower without Lender's prior written consent, excluding the recording of a lien or encumbrance subordinate to this Mortgage, and the creation of a purchase money security interest for house hold appliances, or a transfer by lease, descent or by operation of law upon the death of a joint tenant or of the grant of any leasehold interest of three years or less not containing 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 and option to accelerate if title to the property is transferred to Lender and the person to whom the Property is to be sold or transferred reaches agreement in writing that the proceeds of such transaction be delivered to Lender and that the interest payable on the sums secured by this Mortgage shall be paid to Lender shall be lost. If Lender has waived the option to accelerate provided in this paragraph 17 and if Borrower's successor in interest has 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 so accelerated. If Borrower fails to pay such sums within the expiration of such period, Lender may, without further notice or demand on Borrower, make 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 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 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

0309

4328 RV-2