

UNIFORM COVENANTS, CONDITIONS AND TERMS OF MORTGAGE

1. PAYMENT OF PRINCIPAL AND INTEREST. Borrower shall promptly pay to Lender the principal and interest on the Mortgage evidenced by the Note, payment of which is secured by the Note and the property described in the Future Advances secured by this Mortgage.

2. FUNDS FOR TAXES AND INSURANCE. Subject to paragraph 3 hereof, Borrower shall pay to Lender on the day monthly installments of principal and interest payable on the Note and the Note shall be paid to the "Funds" equal to one-twelfth of the yearly taxes and assessments of the Property, plus one-twelfth of the yearly ground rents on the Property, if any, plus one-twelfth of the yearly premiums and interest for hazard insurance plus one-twelfth of the yearly premiums for mortgage insurance, if any, all as periodically assessed, levied and imposed or required to be paid on the basis of assessments and bills and reasonable estimates thereof.

The Funds shall be held in an institution the deposits in which are insured or guaranteed by a Federal Reserve agency, including Lender if Lender is such an institution. Lender shall pay the taxes, assessments, premiums and ground rents. Lender may not charge fees, bills or other charges for the Funds, including the costs of receiving and complying with assessments and bills, unless Lender pays for the same. Lender shall apply the sums paid to the Funds in the order of priority hereinafter set forth. Borrower and Lender may agree in writing at the time of execution of the Mortgage that portions of the Funds shall be paid to Borrower and unless such agreement is made or applicable law requires such payment to be paid to Lender shall not be required to pay Borrower any interest or earnings on the Funds. Lender shall pay to Borrower within 30 days after the close of each accounting of the Funds showing credits and debits to the Funds and the purpose for which each debit to the Fund 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 is other than the monthly installments of Funds payable prior to the due dates of taxes, assessments, insurance premiums and interest on the Mortgage, the amount so paid to pay said taxes, assessments, insurance premiums and ground rents as they fall due shall be applied first to the taxes, assessments, insurance premiums and ground rents as they fall due. 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 refund to Borrower any Funds held by Lender. If under paragraph 15 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 of 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 to payments of sums 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. OTHER DEBTS. Borrower shall pay all taxes, assessments, and other charges, fines and impositions, including to the Property which may attach a priority over this Mortgage, and shall pay them in accordance with the manner provided under paragraph 2 hereof, or if not paid in such manner by Borrower making payments when due, directly to the party thereof. Borrower shall promptly furnish to Lender all Notices of any lien or charge under this paragraph, and in the event Borrower shall make payment directly, Borrower shall promptly furnish to Lender receipts for 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 agree in writing to the payment of the obligation secured by such lien in a manner acceptable to Lender, or shall so 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 foreclosure of the Property in any part thereof.

5. HAZARD INSURANCE. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended 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 the one to be selected by Borrower subject to approval by Lender, provided that such approval shall not be unreasonably withheld. All premiums on insurance 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 in form acceptable to Lender and shall include a standard mortgage clause in favor of and in form acceptable to Lender. Lender shall have the right to hold the policies and renewals thereof, and Borrower shall promptly furnish to Lender all renewal notices and all receipts of paid premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is economically feasible and the security of this Mortgage is not thereby impaired. If such restoration or repair is not economically feasible or if the security of this Mortgage would be impaired, the insurance proceeds shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. If the Property is abandoned by Borrower, or if Borrower fails to respond to Lender within 60 days from the date notice is mailed by Lender to Borrower that the insurance carrier offers to settle a claim for insurance benefits, Lender is authorized to collect and apply the insurance 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. If under paragraph 15 hereof the Property is acquired by Lender, all right, title and interest of Borrower in and to any insurance policies and in and to the proceeds thereof resulting from damage to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage, immediately prior to such sale or acquisition.

6. PRESERVATION AND MAINTENANCE OF PROPERTY, EASEMENTS, CONDOMINIUMS, PLANNED UNIT DEVELOPMENTS. Borrower shall keep the Property in good repair and shall not commit waste or permit impairment or deterioration of the Property and shall comply with the provisions of any lease if this Mortgage is on a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall perform all of Borrower's obligations under the declaration or covenants creating or governing the condominium or planned unit development, the bylaws and regulations of the condominium or planned unit development, and constituent documents. If a condominium or planned unit development rider is executed by Borrower and recorded together with this Mortgage, the covenants and agreements of such rider shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage as if the rider were a part hereof.

7. PROTECTION OF LENDER'S SECURITY. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or if any action or proceeding is commenced which materially affects Lender's interest in the Property, including, but not limited to, eminent domain, insolvency, code enforcement, or attachments or proceedings involving a bankruptcy or dividend, then Lender, at Lender's option upon notice to Borrower, may make such appointments, discharge such sums and take such action as is necessary to protect Lender's interest, including, but not limited to, discharge of reasonable attorney's fees and costs, upon the Property to make repairs. If Lender required mortgage insurance as a condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance in effect until such time as the requirement for such insurance terminates.