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**UNUSUAL CONDITIONS:** Borrower and Lender agree to the following:

**1. Payment of Principal and Interest.** Borrower shall pay the principal and interest on the Note 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 law written under by Lender, Borrower shall pay to Lender on the due monthly installments of principal and interest on the Note and the Note equal to a sum of the Funds equal to one twelfth of the yearly taxes and assessments which may be levied on the Property, 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 annually and from time to time by Lender on the basis of assessments 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 fees for holding and applying the Funds, analyzing said account or verifying and computing 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, by notice 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 request by 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 to 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 continue acting 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 on the title of the Property or 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 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 premium amounts to be paid 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 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 notices of amounts due on receipts of paid premiums. In the event of loss, Borrower shall give prompt notice to the insurance carrier and to Lender. Lender may make protection loss and shall promptly pay to Borrower.

Unless Lender and Borrower otherwise agree in writing, the cost of such repairs shall be applied to restoration or repair of the Property damaged, provided such restoration or repair is necessary to protect the security of this Mortgage and the security of this Mortgage is not thereby impaired. If such restoration or repair is necessary to protect the security of this Mortgage, the cost of such restoration or repair shall be applied to the sums secured by this Mortgage, with the excess, if any, paid to Borrower. If the Property is damaged or destroyed, Borrower shall reimburse Lender within 30 days from the date notice is mailed by Lender to Borrower that the insurance carrier has declined to pay 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, the 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 18 hereof the Property is acquired by Lender, an equitable and interest of Borrower in and to any insurance policy and to the proceeds thereof shall be transferred to the Property prior to the sale or acquisition shall pass to Lender to the extent of the sums secured by this Mortgage, or actually received in such sale or acquisition.

**6. Preservation and Maintenance of Property; Leaseholds; 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 of this Mortgage, if any, as a leasehold. If this Mortgage is on a unit in a condominium or a planned unit development, Borrower shall be deemed to be a unit owner, and under the declaration of a condominium or a planned unit development, shall be deemed to be a unit owner, and shall be bound by the rules, regulations, bylaws and covenants of the condominium or planned unit development, and shall comply with the provisions of such rules, regulations, bylaws and covenants as they are executed by Borrower and recorded together with this Mortgage, the covenants and agreements of which shall be incorporated into and shall amend and supplement the covenants and agreements of this Mortgage, as if the rules 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 in any way affects Lender's interest in the Property, including, but not limited to, eminent domain proceedings, foreclosure proceedings or proceedings involving a bankruptcy or decedent, then Lender at Lender's option may proceed to Borrower to make such applications, and may sue, and take such action as is necessary to protect Lender's interest, including, but not limited to, obtaining or reasonable attorney's fees and costs, and the Property to make repairs. If Lender is not notified in advance of any condition of making the loan secured by this Mortgage, Borrower shall pay the premiums required to maintain such insurance to reflect such condition as the requirement for such insurance from the proceeds of the Funds held by Borrower, and

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