

NOTICE TO BORROWER
MORTGAGE STATEMENT
DATE: 11/11/88
AMOUNT: \$100,000.00
INTEREST RATE: 10.00%

88288823

BOX 422

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215 00

DEPT-01 RECORDING
11/11/88 11:41:00

17. Release. When I have paid the secured debt, you will discharge this mortgage without charge. I agree to pay all your expenses, including reasonable attorney's fees, if I break any covenants in this mortgage or in any obligation secured by this mortgage, you may accelerate the maturity of the secured debt and demand immediate payment and exercise any other remedy available to you. You may, however, foreclose this mortgage in the manner provided by law.

16. Transfer of the Property or a Beneficial Interest in the Mortgage. If all or any part of the property or any interest in it is sold or transferred without your prior written consent, you may demand immediate payment of the secured debt (exclusive of interest or principal), second, to interest and for my benefit will be applied first to any amounts I owe you on the secured debt (exclusive of interest or principal), second, to interest and then to principal. If partial payment of the secured debt is paid in full, I will not reduce or excuse any subsequently scheduled payment until the secured debt is paid in full.

15. Notice. Unless otherwise required by law, any notice to me shall be given by delivering it or by mailing it by certified mail addressed to me at the Property Address or any other address that I tell you. I will give any notice to you by certified mail to your address on the front side of this mortgage, or to any other address which you have designated. Any notice shall be deemed to have been given to either of us when given in the manner stated above.

14. Joint and Several Liability; Co-signers; Successors and Assigns. All duties under this mortgage are joint and several. If I co-sign this mortgage but do not co-sign the underlying debt I do so only in the mortgage and assign under the terms of this mortgage. I also agree that you and any party to this mortgage may extend, renew, modify or make any other changes in the terms of this mortgage or the secured debt without my consent. Such a change will not release me from the terms of this mortgage.

13. Waiver. By exercising any remedy available to you, you do not give up your rights to later use any other remedy. By not exercising any remedy, if in default, you do not waive your right to later consider the event a default. If it happens again, I may re-exercise any remedy available to you. I agree to comply with the provisions of any lease if this mortgage is on a leasehold, regulations of the condominium or a planned unit development. I will perform all of my duties under the covenants, by-laws, or

12. Condemnation. I assign to you the proceeds of any award or claim for damages connected with a condemnation or other taking of all or any part of the property. Such proceeds will be applied as provided in Covenant 1. This assignment is subject to the terms of any prior security agreement. I agree to pay all your expenses, including reasonable attorney's fees, if I break any covenants in this mortgage or in any obligation secured by this mortgage.

11. Inspection. You may enter the property to inspect. If you give me notice beforehand, the notice must state the reasonable cause for your inspection. Any amounts paid by you to protect your security interest will be secured by this mortgage. Such amounts will be due on demand and will bear interest from the date of the payment until paid in full at the interest rate in effect on the secured debt. I agree to pay the cost of any inspection. Your failure to perform will not preclude you from exercising any of your other rights under the law or this mortgage.

10. Authority of Mortgagee to Perform for Mortgagee. If I fail to perform any of my duties under this mortgage, you may perform the duties or cause them to be performed. You may sign my name or pay any amount if necessary for performance. If any construction on the property is discontinued or not carried on in a reasonable manner, you may do whatever is necessary to protect your security interest in the property. This may include completing the construction.

9. Leasehold; Condominium; Planned Unit Development. I agree to comply with the provisions of any lease if this mortgage is on a leasehold, regulations of the condominium or a planned unit development. I will perform all of my duties under the covenants, by-laws, or other rules of the condominium or planned unit development. I hereby waive all right of homestead exemption in the property.

8. Waiver of Homestead. I hereby waive all right of homestead exemption in the property. I agree to pay the cost of any inspection. Your failure to perform will not preclude you from exercising any of your other rights under the law or this mortgage.

7. Assignment of Rents and Profits. I assign to you the rents and profits of the property. Unless we have agreed otherwise in writing, I may collect and retain the rents as long as I am not in default. If I default, you, your agent, or a court appointed receiver may take possession and manage the property and collect the rents. Any rents you collect shall be applied first to the costs of managing the property, including court costs and attorney's fees, commissions to rental agents, and any other necessary related expenses. The remaining amount of rent will then apply to payments on the secured debt as provided in Covenant 1.

6. Default and Acceleration. If I fail to make any payment when due or break any covenants under this mortgage, any prior mortgage or any other obligation secured by this mortgage, you may accelerate the maturity of the secured debt and demand immediate payment and exercise any other remedy available to you. You may, however, foreclose this mortgage in the manner provided by law.

5. Expenses. I agree to pay all your expenses, including reasonable attorney's fees, if I break any covenants in this mortgage or in any obligation secured by this mortgage. I agree to pay the cost of any inspection. Your failure to perform will not preclude you from exercising any of your other rights under the law or this mortgage.

4. Property. I will keep the property in good condition and make all repairs reasonably necessary. You require. I will keep the property insured under terms acceptable to you at my expense and for your benefit. You will be named as loss payee or as the insured on any such insurance policy. Any insurance proceeds may be applied, within your discretion, to either the restoration or repair of the damaged property or to the secured debt. If you require mortgage insurance, I agree to maintain such insurance for as long as you require.

COVENANTS

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