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LEGAL DESCRIPTION:

e That the Borrower may renege the Mortgage after acceleration.
f That Borrower may bring suit in court to argue that all promises were kept and to present any other defenses Borrower has to acceleration.

Lender need not send the notice if the promise Borrower failed to keep consists of Borrower's sale or transfer of all or a part of the Property or any rights in the Property without Lender's written consent. If the Borrower does not correct the failure by the date stated in the notice, Lender may accelerate. If Lender accelerates, Lender may foreclose this Mortgage according to law. Borrower also agrees to pay Lender's attorneys' fees and costs for the foreclosure in the maximum amount allowed by law. Lender will apply the proceeds of the foreclosure sale to the amount Borrower owes under this Mortgage, and to the costs of the foreclosure and Lender's attorneys' fees.

24 Obligations After Assignment. Any person who takes over Borrower's right or obligations under this Mortgage with Lender's consent will have Borrower's rights and will be obligated to keep all of the promises Borrower made in this Mortgage. If another person takes over Borrower's rights or obligations under this Mortgage, Borrower will not be released. Any person or organization who takes over Lender's rights or obligations under this Mortgage will have all of Lender's rights and must keep all of Lender's obligations under this Mortgage.

25 Waiver of Homestead. Under the exemption laws, Borrower's homestead is usually free from the claims of creditors. Borrower gives up the homestead exemption right for all claims arising out of this Mortgage. This includes Borrower's right to demand that property other than Borrower's homestead that has been mortgaged to Lender be foreclosed first, before the homestead is foreclosed.

26 Condemnation. If all or part of the Property is condemned, Borrower directs the party condemning the Property to pay all of the money to Lender. Lender will apply the money to pay the amount Borrower owes Lender, unless Lender agrees in writing that the proceeds can be used differently. If Lender uses the money to reduce the amount Borrower owes under the Agreement, Borrower will still have to make regular monthly payments until everything Borrower owes is paid.

27 Paragraph Headings. The headings of the paragraphs are for convenience only, and are not a part of this Mortgage.

This instrument was drafted by
TCF BANK SAVINGS, Inc.
801 Marquette Avenue
Minneapolis, Minnesota 55402

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02486085

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- 6 **Notice of Variable Rate of Interest.** This mortgage secures a line of credit that has a variable rate of interest. This means that the interest rate may increase or decrease from time to time, as explained in section 4.
- 7 **Finance Charge.** Borrower will pay a Finance Charge until Borrower has repaid everything owed under the Agreement. Lender agrees the Finance Charge at the end of every monthly billing cycle. The monthly billing cycle runs from and including the first day of a month to and including the last day of that month. To figure the Finance Charge for a monthly billing cycle, Lender adds up the Finance Charges for each day in the billing cycle. To figure the Finance Charge for each day, Lender multiplies the Daily Periodic Rate times the Daily Balance of Borrower's account on that day (for each day in the monthly billing cycle). Lender figures the Daily Periodic Rate by dividing the Annual Percentage Rate by 365 (or 366 in any leap year). Lender determines the Daily Balance by first taking the beginning balance of Borrower's account each day, adding any new Loan Advances, subtracting any payments or other credits to the account and subtracting any unpaid Finance Charges and Other Charges. This gives Lender the Daily Balance for each day. Borrower pays a Finance Charge on Loan Advances beginning on the day they are made.
- 8 **Transfer of Rights in the Property.** Borrower mortgages, grants and conveys the Property to Lender subject to the terms of this Mortgage. This means that by signing this Mortgage, Borrower is giving Lender those rights that are stated in this Mortgage and also those rights that the law gives to lenders who have taken mortgages on land. Borrower is giving Lender these rights to protect Lender from possible losses that might result if Borrower fails to keep the promises made in this Mortgage and in the Agreement.
- 9 **Termination of this Mortgage.** If Borrower pays to Lender all of the amounts owed to Lender under this Mortgage and under the Agreement, and keeps all promises made in this Mortgage and in the Agreement, then Lender's rights in the Property will end. Lender will send Borrower a document stating this and Borrower can file it with the County in which the Property is located.
- 10 **Promises of Borrower** — Borrower represents and warrants that:
 - a. Borrower owns the Property.
 - b. Borrower has the right to mortgage, grant, and convey the Property to Lender, and
 - c. There are no claims or charges outstanding against the Property except any mortgages that are currently shown in the office where real estate records are filed for the County where the Property is located.Borrower gives a general warranty of title to Lender. This means that Borrower will be fully responsible for any losses which Lender suffers because someone other than Borrower has some of the rights in the Property that Borrower represents and warrants to have. Borrower will defend ownership of the Property against any claims of such rights.
- 11 **Borrower's Promise to Pay** — The Agreement. Borrower promises promptly to pay all amounts due on the Agreement.
- 12 **Borrower's Promise to Pay** — **Charges and Assessment.** Borrower promises to pay all present and future taxes, assessments, utility bills, and other charges on the Property, including any amounts on any prior mortgage, as they become due.
- 13 **Borrower's Promise to Buy Hazard Insurance.** Borrower promises to obtain a hazard insurance policy naming Lender as mortgagee, and which covers all buildings on the Property. The insurance must be satisfactory to Lender and must cover loss or damage caused by fire, and hazards normally covered by extended coverage hazard insurance policies. Borrower may obtain the insurance from any company that is authorized to do business in this state and that is acceptable to Lender. The insurance must be in the amounts and for the periods of time required by Lender. Borrower will notify Lender promptly if there is any loss or damage to the Property. Lender may file a "Proof of Loss" form with the insurance company. Borrower or acts the insurance company to pay all "Proceeds" to Lender. "Proceeds" are any money that the insurance company owes to the Borrower under the policy. Unless Lender agrees in writing that the Proceeds can be used differently, the Proceeds will be applied to pay the amount Borrower owes Lender.
If any Proceeds are used to reduce the amount owed, Borrower owes Lender under the Agreement, Borrower will still have to make the regular payments under the Agreement until the entire amount Borrower owes is paid in full.
- 14 **Borrower's Promise to Buy Flood Insurance.** If the Land or any part of the Land is located in a designated official flood-hazardous area, the Borrower promises to buy flood insurance in the maximum amount available or the amount secured by this Mortgage, whichever is less. Borrower agrees to direct that any money payable under the flood insurance will be paid to Lender, but Borrower will still have to make regular payments under the Agreement until the entire amount Borrower owes is paid in full.
If Lender forecloses this Mortgage, anyone who buys the Property at the foreclosure sale will have all the rights under the insurance policy.
- 15 **Borrower's Promise to Maintain the Property.** Borrower promises that Borrower won't damage or destroy the Property. Borrower also promises to keep the Property in good repair. If any improvements are made to the Property, Borrower promises that they won't be removed from the Property.
- 16 **Lender's Right to Take Action to Protect the Property.** If (1) Borrower does not keep the promises and agreements made in this Mortgage; or (2) someone (Borrower or anyone else) begins a legal proceeding in bankruptcy, or to condemn the Property, or to pay for whatever is necessary (such as, for example, a legal proceeding in bankruptcy, or to condemn the Property), the Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's action under this section may include, for example, paying any amount due under any prior mortgage, appearing in court, paying reasonable attorney's fees, and entering on the Property to make repairs.
- Borrower promises to pay Lender all amounts that Lender pays under this section. If Lender pays an obligation, Lender will have all of the rights that the person Lender paid would have had against Borrower. This Mortgage covers all these amounts that Lender pays, plus interest at the rate that is figured as if the money had been given under the Agreement, or if that rate violates the law, then at the highest rate that the law allows.
- 17 **Lender's Rights.** Any failure or delay by Lender in enforcing the rights that this Mortgage or the law gives to Lender will not cause Lender to give up those rights. Lender may exercise and enforce any of its rights until the Mortgage ends. Each right that the Mortgage gives to Lender is separate. Lender may enforce and exercise them one at a time or all at once.
- 18 **Joint Borrowers.** Each person that signs this Mortgage is responsible for keeping all of the promises made by Borrower. Lender may choose to enforce its rights against anyone signing the Mortgage as an individual or against all of them. However, if someone signed this Mortgage, but did not sign the Agreement, then that person will not be required to pay any amount under the Agreement, but will have signed only to give Lender the rights that person has in the Property under the terms of this Mortgage.
- 19 **Notices.** Unless the law requires differently, or unless Borrower tells Lender differently, any notice that must be given to Borrower will be delivered or mailed to Borrower at the address shown in section 5. Notices that must be sent to Lender will be given by making them to Lender's address shown in section 2. Any notice will be given when it is mailed, or when it is delivered according to this paragraph.
- 20 **Selling the Property.** Borrower agrees not to sell or transfer all or any part of the Property, or any rights in the Property, without the Lender's written consent. This includes sale by Contract for Deed.
- 21 **No Defaults Under Prior Mortgages.** If there is already a mortgage against the Property, the Borrower promises that there will never be a default under that mortgage.
- 22 **No Other Mortgages.** Borrower agrees not to mortgage all or any part of the Property or allow anyone else to have a lien on the Property without the Lender's written consent.
- 23 **Lender's Remedies — Foreclosure.** If Lender requires Borrower to pay the entire outstanding balance under the Agreement in one payment (called acceleration) and Borrower fails to make the payment when due, then Lender may foreclose this mortgage as provided below. However, before accelerating, Lender will send Borrower a written notice by certified mail which states:
 - a. The promise that Borrower failed to keep or the representation or warranty that Borrower breached.
 - b. The action Borrower must take to correct that failure.
 - c. The date, at least 30 days away, by which the failure must be corrected.
 - d. That if Borrower doesn't correct the failure by the date stated in the notice, Lender will accelerate, and if Borrower doesn't pay, Lender or another person may try to foreclose the Property at a foreclosure sale.