

Return To:

FOLIO #

MORTGAGE

This Mortgage is made this _____ day of _____, _____ between _____ (“Borrower”) residing at _____ and _____, a _____ (“Lender”), located at _____. In this Mortgage, the words “I, me and mine” mean the Borrower and the words “You, your, and yours” mean the lender and anyone to whom the Lender transfer or assigns the Mortgage.

I borrowed from you the principal amount of _____ (“The Loan”). The terms of repayment of the loan are described in full in the Promissory Note that I executed at the time I signed and delivered this Mortgage; and

The amount of money I owe under the Note, including any amount owed due to any future advances, as described below, and all of the other obligations, I now or hereafter have under the Note (which term shall include any riders thereto), this Mortgage, the escrow agreement if applicable or any other documents executed in connection with the loan (collectively, the Loan documents), all of which are secured by this Mortgage, are called the “Obligations.”

As security for the repayment of the loan and for all other obligations, I give you a continuing security interest and mortgage in all of my right ownership and title to real property that is located in _____ County in the State of _____ (the Property”). A full legal description of the property is as follows:

Legal Description: _____

Property Address: _____

I am mortgaging the Property to you together with all the rights that I may have in, to affecting or relating to it. This includes rights which currently exist or may exist in the future. The Property also includes all of the furniture and equipment in the Property and all structures located on the Property.

After I have repaid the Loan and other Obligations, including all future advances and all of the interest and other loan charges I owe you on account of the Loan and, upon my request, the Note and mortgage shall be returned to me marked "paid in full." Neither you nor I shall have any further liability to each other on account of the loan. The Mortgage will terminate. You will record what is called a Satisfaction of Mortgage in the Public records of _____ County, _____ in which the Property is located. This recording will legally terminate your rights in the Property. Paragraph 9 describes what we mean by a default.

1. **Payment and Performance.** I will comply with all my obligations under this Mortgage, the note and the other Loan Documents, including my Obligation to pay all amounts due to you at the time and in manner provided in the Note.
2. **Taxes, Assessments and Charges.** I will pay all taxes, assessments (whether general or special) and other charges made against the Property.
3. **Maintenance.** I will do everything necessary to maintain the Property in good condition and will comply with (or cause compliance with) all applicable statutes, ordinances and requirements of governmental authorities having jurisdiction over the property or the use of the property. I understand that I must keep the property fully insured against all loss and in the event of a loss or a taking by a governmental entity; you have the option to apply the insurance proceeds towards the Loan or to repair the property.
4. **Property Insurance.** I shall keep the improvements now existing or hereafter erected on the property insured at all times against loss or damage by fire, and other hazards included within the term "all risk" liability including within the term or "extended coverage", and any other hazards for which you require insurance. Such insurance shall include a replacement cost and agreed amount/stipulated value endorsement and a sinkhole endorsement if deemed necessary by you. I shall also maintain flood insurance if the land is located in a "Flood Hazard Area." The above-described insurance shall be maintained in the amounts (including deductible levels) and for the periods that you require. The insurance carrier providing the insurance shall be chosen by me subject to your right to disapprove my choice, which right shall not be exercised unreasonably. You may require me to pay, in connection with this loan, either a full years' premium in advance or such other arrangement as you may approve in writing.

In the event of a loss, I shall give prompt notice to the insurance carrier and you. You may make proof of the loss if not made promptly by me. Unless you and I otherwise agree in writing, any insurance proceeds, whether or not the underlying insurance was required by you, shall be applied either to the restoration or repair of the property, if, in your opinion, the restoration or repair is economically feasible and your security is not lessened or else the payment reduction of the loan with the excess, if any, paid to me. During such repair and restoration period, you shall have right to hold such insurance proceeds until you have had an opportunity to inspect the Property to ensure the work has been completed to your satisfaction, provided that such inspection shall be undertaken promptly. You may disburse

proceeds for the repairs and restoration in a single payment or in a series of progress payments as the work is completed.

If I abandon the Property, you may file, negotiate and settle any available insurance claim and related matters. If I do not respond within (30) days to a notice from you that the insurance carrier has offered to settle a claim, then you may negotiate and settle the claim.

5. **Improvements.** I will do everything necessary to complete the construction of all improvements to be made to the Property in accordance with the terms and conditions of this mortgage. In the instance where I have entered into a construction Loan agreement or escrow agreement described below, or similar agreement setting forth the terms and conditions under which improvements are to be made to the property, such agreements are incorporated herein by reference and made a part hereof.
6. **First Lien.** This mortgage is a first lien on the Property. As the owner of the Property, I am the only one with a legal right to occupy or possess the Property although I may not be occupying the property. I won't sell, lease or assign any rights I have in the property or in the entity owning the property to a third party without your prior written consent, which consent shall not be unreasonably withheld or delayed.
7. **Due on Sale.** You may, at your option, declare immediately due and payable all sums secured by this mortgage upon the sale, or transfer, without your prior written consent, of all or any part of the Property or any interest in it. However, this option shall not be exercised by you if such exercise is prohibited by federal law or by _____ law.
8. **Notices.** Whenever you or I am obligated to give notice to the other, such notice must be in writing and must be given personally or by prepaid certified mail (return receipt requested).
9. **Events of Default.** The word "Default" means any one of the following events:
 - Any failure by me to pay any amount of money due under the Note or Mortgage or other Loan documents provided;
 - In the event a notice of violation is issued to the Property by a governmental agency;
 - Any failure by me to comply with any other provisions of any Loan Documents;
 - Any failure by me to keep any other agreement I have made in this Mortgage after written notice of the failure is mailed to me.

10. **Notice of Default and grace periods.** If in the event of default is my failure to pay you on time-regardless of whether the failure is under any of the loan documents for this loan or any other loan I have with you and whether the amount is principal, interest or other amounts due-you do not have to provide me notice of default before exercising your remedies. However, if the default is because of my failure to pay you on time, I will have until the end of (5) days following the date the amount is due within which to make the payment before you shall be entitled to exercise your remedies as a result of my default.

If the default is because of my failure to keep my agreement with you other than to pay money, I shall have (15) days from the date you mail me notice of the default to cure it.

11. **Acceleration.** If I am still in default as described in paragraph 9 thereof, you can declare the entire unpaid principal balance of the Loan, together with all unpaid interest accrued on the principal and all other amounts owing under the Note and this mortgage and other loan documents to be immediately due and payable to you. This is called Acceleration.

12. **Remedies.** If I default under this mortgage or the Note, you can pursue all rights and remedies you may have under any of the loan documents at law and/or in equity, including acceleration and remedy of foreclosing this mortgage. You can delay enforcing any of your rights under this mortgage without losing them. If you choose to waiver or delay enforcing any of your rights or remedies, you must notify me in writing before the waiver will be effective. If I default under the Note or this mortgage or any other loan documents, or if you are in any way involved in a lawsuit because of the Loan, I agree to pay for all costs incurred by you due to my default, including reasonable attorney's fees at the trial and appellate level as well as at any bankruptcy proceedings.

If you seek the remedy of foreclosure I agree that you may apply to any court of competent jurisdiction for the appointment of a receiver to take charge of, manage, preserve protect, complete construction of, rent, and operate the property to collect the rents; to make all necessary and needed repairs; to pay all taxes, assessments, insurance premiums and all other costs incurred in connection with the property.

In the event of a foreclosure of sale of the Property, I shall be deemed a tenant holding over and shall deliver possession to you or any purchaser at such sale or I shall be summarily dispossessed in accordance with the applicable laws for the tenants holding over.

13. **Condemnation.** If all or any part of the Property is taken by right of condemnation or eminent domain all proceeds payable with respect to such action are assigned to you and shall be paid to you. These proceeds may, at your option, either be applied to the payment of the loan or paid over to restore the improvements to the property.

14. **Investment Property.** I represent that the Property is not now and never will be my homestead. I own the Property for investment purposes only. The funds which are to be advanced by this mortgage are not for my personal or household use.
15. **Future Advance.** I understand that I may request, from time to time, that an additional sum or sums be loaned to me, secured by the lien of this mortgage. The additional sum or sums, in total, shall not exceed the original principal balance of this loan. If I borrow additional money under this mortgage and I execute a mortgage loan modification agreement and future advance receipt or similar agreement evident in such an advance, such agreement will not constitute a notation, as is defined by applicable law, nor will it get rid of any liability or obligation evidenced by this mortgage or any of the other loan documents. If I am in default, I understand that you may, at your option, elect to cure such default and deem any monies advanced by you to cure such default as a future advance under the loan.
16. **Estoppels Certificate.** I agree that, from time to time, within (10) days from your request, I will execute a statement setting forth the status of the Loan and the amounts due under the Note.
17. **Modification to Mortgage.** You may, at your sole option, allow changes to this Mortgage.
18. **Improvements Required.** A portion of the proceeds of the loan may be set aside for improvements that are required to be made to the property. The portion of the loan that is set aside for improvements will be held in escrow in accordance with a separate escrow agreement. All improvements must be reviewed and agreed to, in writing, by you prior to the commencement of any work. Your inspector will periodically inspect the Property to make sure that I am steadily progressing with the improvements. I must make a request for a draw from you at least every (30) days until all of the work is complete or I will be in default of this mortgage because it will mean that I am not continuously proceeding with the construction of the improvements.
19. **Access to the Property.** I understand that you might want to go onto the property in order to inspect it to make sure that I am abiding by my obligations under the Loan. You may have access with at least 24 hour notification to me at a reasonable time in order to make sure that I am in compliance with the terms of the Loan documents.
20. **Governing Law.** _____ Law shall apply to the enforcement of this Mortgage and the Note, including any dispute and related litigation.
21. **Attorneys' Fees.** If I default under this mortgage and you retain an attorney to collect the amount due under this Mortgage, I agree to pay your reasonable attorneys' fees for the collection of this Mortgage, including fees through appellate, bankruptcy or administrative proceedings.

22. **Sever-ability.** Any provision of this Mortgage that is not allowed or can't be enforced in any jurisdiction shall, as to that particular jurisdiction only, not be effective but only to the extent it is not allowed or unenforceable, without making any other provisions of this Mortgage invalid. It will not affect the validity or enforceability of that provision in any other jurisdiction.
23. **Interpretation.** Whenever used in this Mortgage and unless the context otherwise requires, words in the singular include the plural, words in the plural include the singular, and pronouns of any gender include the other genders. If the Borrower is a partnership, then all the general partners are together and separately liable.

(SIGNATURE AND NOTARY TO FOLLOW)

I have executed this instrument as of the date on the first page of this Mortgage in front of the following witnesses.

WITNESSES:

BORROWER(S):

Print Name

Print Name

WITNESSES:

BORROWER(S):

Print Name

Print Name

STATE OF _____

COUNTY OF _____

The foregoing instrument was acknowledged before me this ___ day of _____, 2010, by _____ is / are () personally known to me () have produced _____ as identification.

(NOTARY SEAL)

NOTARY:

Print Name: _____

My commission expires: _____