

Audit Order Submission Form

**Please submit all online Audit orders with this
Coversheet AND Document Checklist
Email or fax orders to
info@mortgageauditsonline.com or 866-550-1093**

ORDER DETAILS

COMPANY NAME AND CONTACT:

NOTES:

CONTACT PHONE:

CONTACT EMAIL:

HOMEOWNER NAME:

PROPERTY ADDRESS:

PRIVATE LABEL

PRESENT ADDRESS:

PRODUCTS AND SERVICES

1st Lien FORENSIC AUDIT (and)

Second Lien

Demand Letter

1st Lien SECURITIZATION AUDIT (and)

Second Lien

The Brief (Summary of Findings)

SEC Pro (w/CUSIP Info)

1st Lien HYBRID AUDIT (and)

Second Lien

Demand Letter

The Brief (Summary of Findings)

SEC Pro (w/CUSIP Info)

RUSH THIS ORDER (48 BUSINESS HRS)

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NOTICE OF RIGHT TO CANCEL

LENDER: Wilmington Finance, a division of AIG Federal Savings Bank

DATE June 09, 2005
LOAN NO. A05052836
TYPE CONVENTIONAL

BORROWERS/OWNERS ELI WILSON JR., BRENDA M. WILSON

ADDRESS 6503 HAWKSMOOR DR.
CITY/STATE/ZIP ORLANDO, FL 32818
PROPERTY 6503 HAWKSMOOR DR.
ORLANDO, FL 32818

YOUR RIGHT TO CANCEL

You are entering into a transaction that will result in a mortgage/lien/security interest on/in your home. You have a legal right under federal law to cancel this transaction, without cost, within THREE BUSINESS DAYS from whichever of the following events occurs last:

- (1) The date of the transaction, which is June 09, 2005 ;
- or
- (2) The date you received your Truth in Lending disclosures;
- or
- (3) The date you received this notice of your right to cancel.

If you cancel the transaction, the mortgage/lien/security interest is also cancelled. Within 20 CALENDAR DAYS after we receive your notice, we must take the steps necessary to reflect the fact that the mortgage/lien/security interest on/in your home has been cancelled, and we must return to you any money or property you have given to us or to anyone else in connection with this transaction.

You may keep any money or property we have given you until we have done the things mentioned above, but you must then offer to return the money or property. If it is impractical or unfair for you to return the property, you must offer its reasonable value. You may offer to return the property at your home or at the location of the property. Money must be returned to the address below. If we do not take possession of the money or property within 20 CALENDAR DAYS of your offer, you may keep it without further obligation.

HOW TO CANCEL

If you decide to cancel this transaction, you may do so by notifying us in writing, at:

Wilmington Finance, a division of AIG Federal Savings Bank
401 Plymouth Road, Suite 400
Plymouth Meeting, PA 19462

You may use any written statement that is signed and dated by you and states your intention to cancel, or you may use this notice by dating and signing below. Keep one copy of this notice because it contains important information about your rights.

If you cancel by mail or telegram, you must send the notice no later than MIDNIGHT of June 13, 2005 (or MIDNIGHT of the THIRD BUSINESS DAY following the latest of the three events listed above.) If you send or deliver your written notice to cancel some other way, it must be delivered to the above address no later than that time.

I WISH TO CANCEL

SIGNATURE

DATE

The undersigned each acknowledge receipt of two copies of NOTICE of RIGHT TO CANCEL and one copy of the Federal Truth in Lending Disclosure Statement.

Each borrower/owner in this transaction has the right to cancel. The exercise of this right by one borrower/owner shall be effective to all borrowers/owners.

Brenda M. Wilson 6/9/05
 BORROWER/OWNER BRENDA M. WILSON DATE BORROWER/OWNER DATE

BORROWER/OWNER DATE BORROWER/OWNER DATE

AUDIT Document Check List

Check each document you provide. Make sure scans are legible.

Do not mix loan information. Submit 1st and 2nd liens separately.

Please provide cover sheet and check list for each file you send.

For HYBRID Audits – Include both Forensic and Securitization Documents

UNDERLINED DOCUMENTS ARE REQUIRED TO PERFORM AUDIT

Forensic DOCUMENT Check List

Initial Truth in Lending

Notice of Right to Cancel

Final Truth in Lending

Lender's Closing Instructions

Note

Borrower's 1040 or W2 for the time of financing

Mortgage and Riders

Appraisal for the time of financing

Final HUD-I or HUD-IA If Refinance

Loan Application - 1003

Any and/or all **Disclosures**, if applicable, such as Prepayment, Adjustable Rate, Interest Only, Negative Amortization, or Balloon Payment

**GFE (Good Faith Estimate) or
Itemization of Amount Financed**

Securitization DOCUMENT Check List

Note

Mortgage OR Deed of Trust

Notice of Trustee Sale, Lis Pendens or Notice of Default

Recent Mortgage Statement (Servicer Information)

Chain of Title DOCUMENT Check List

Note OR Recent Mortgage Statement

PROMISSORY NOTE

For value received the undersigned promises to pay the order of the principal sum of (\$), together with interest thereon from date, at the rate of _____ percent (___%), per annum until maturity. Both principal and interest being payable in lawful money of the United States or its equivalent, at _____ payable as follows:

Principal and interest in the amount of \$ _____ on _____, 20__, and on the ____ day of each month thereafter until maturity.

The entire outstanding principal balance together with all accrued interest thereon shall be due and payable on _____.

Each maker and endorser severally waives demand, protest and notice of maturity, non-payment or protest and all requirements necessary to hold each of them liable as makers and endorsers.

Each maker and endorser further agrees, jointly and severally, to pay all costs of collection, including a reasonable attorney's fee in case the principal of this note or any payment on the principal or any interest thereon is not paid at the respective maturity thereof, or in case it becomes necessary to protect the security hereof, whether suit be brought or not.

This note and deferred interest payments shall bear interest at the rate of Eighteen (18%) percent, per annum from maturity until paid.

Maker shall pay holder a late charge of five percent (5.0%) of any payment not received by holder within Ten (10) days after its due date, provided that holder has not exercised his right of acceleration.

Upon default in the payment of principal and/or interest due under this Promissory Note, or upon default under the mortgage securing this Promissory Note, the entire outstanding principal balance together with interest thereon shall, at the option of the holder, be immediately due and payable.

This note is to be construed and enforced according to the laws of the State of Florida.

Anything to the contrary notwithstanding, the entire principal balance together with interest thereon, shall be immediately due and payable upon the transfer or conveyance of any interest in the property encumbered by the mortgage securing this promissory note.

This note may be prepaid, in whole or in part, without premium or penalty.

Prepared By:

MORTGAGE AND SECURITY AGREEMENT

THIS MORTGAGE, made this _____ between _____ whose address is _____, as Mortgagor and Debtor, ("Borrower"), and _____, whose address is _____, as Mortgagee and Secured Party, ("Lender");

WITNESSETH:

WHEREAS, Borrower is justly indebted to Lender in the principal sum of \$ _____ as evidenced by a certain promissory note (the "Note") of even date herewith, executed by Borrower and delivered to Lender, which provides for a maturity date of _____ payable according to the terms therein provided, and by reference being made a part hereof to the same extent as though set out in full herein;

NOW THIS INDENTURE WITNESSETH, to secure the performance and observance by the Borrower of all the covenants and conditions in the Note and in this Mortgage, and in order to charge the properties, interests and rights hereinafter described with such payment, performance and observance, and for and in consideration of the sum of _____ DOLLARS paid by the Lender to the Borrower on or before the delivery of this Mortgage, and for other valuable considerations, the receipt of which is hereby acknowledged, the Borrower does hereby grant, bargain, sell, alien, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, deliver, set over, warrant and confirm unto the Lender, its successors and assigns forever:

THE MORTGAGED PROPERTY

All that certain piece, parcel or tract of land situate in the County of _____ and State of _____, (hereinafter called the "Land"), more particularly described as follows:

SEE EXHIBIT "A"

TOGETHER WITH all buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Land, and all fixtures, machinery, equipment, furniture and other tangible personal property of every nature whatsoever now or hereafter owned by the Borrower and located in, on, or used or intended to be used in connection with the operation of the Land, buildings, structures or other improvements now or hereafter located on the Land, including all extensions, additions, improvements, betterments, renewals, and replacements to any of the foregoing; and all of the right, title and interest of the Borrower in any such personal property or fixtures subject to a conditional sales contract, chattel mortgage or

similar lien or claim together with the benefit of any deposits or payments now or hereafter made by the Borrower or on its behalf;

TOGETHER WITH all easements, rights of way, strips and gores of land, streets, ways, alleys, passages, sewer rights, water, water courses, water rights and powers, and all estates, rights, titles, interest, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way belonging relating or appertaining to any of the property hereinabove described, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Borrower, and the reversion and reversions, remainder and remainders, rents, issues, profits thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law as well as in equity, of Borrower of, in and to the same, including but not limited to all judgments, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of the Mortgaged Property or any part thereof under the power of eminent domain, the alteration of the grade of any street, or for any damage (whether caused by such taking or otherwise) to the Mortgaged Property or any part thereof, or to any rights appurtenant thereto, and all proceeds of any sales or other dispositions of the Mortgaged Property or any part thereof;

TOGETHER WITH all rents, royalties, issues, profits, revenue, income and other benefits from the Mortgaged Property to be applied against the indebtedness secured hereby, provided however, that permission is hereby given to Borrower so long as no Default has occurred hereunder, to collect, receive, take, use and enjoy such rents, royalties, issues, profits, revenue, income, licenses, foreclosures, concessions and other benefits as they become due and payable, but not more than two months in advance thereof. Lender shall be entitled, at its option upon the occurrence of a Default hereunder, to all rents, royalties, issues, profits, revenue, income and other benefits from the Mortgaged Property, whether or not Lender takes possession of the Mortgaged Property. Upon any such occurrence of a Default hereunder, the permission hereby given to Borrower to collect such rents, royalties, issues, profits, revenue, income and other benefits from the Mortgaged Property shall terminate and such permission shall not be reinstated upon a cure of the Default without Lender's specific consent. Exercise of rights under this paragraph, and the application of any such rents, royalties, issues, profits, revenue, income or other benefits to such indebtedness, shall not cure or waive any Default or notice of Default hereunder or invalidate any act done pursuant hereto, but shall be cumulative and in addition to all other rights and remedies of Lender;

TOGETHER WITH all right, title and interest of Borrower in and to any and all leases now or hereafter on or affecting the Mortgaged Property, together with all security therefor and all monies payable thereunder, subject, however, to the conditional permission hereinabove given to Borrower to collect the rentals under such lease. The foregoing assignment of any lease shall not be deemed to impose upon Lender any of the obligations or duties of Borrower provided in any such lease, and Borrower agrees to fully perform all obligations of the lessor under all such leases. Upon Lender's request, Borrower agrees to send to Lender a list of all leases covered by the foregoing assignment and as any such lease shall expire or terminate or as any new lease shall be made, Borrower shall so notify Lender in order that at all times Lender shall have a current list of all leases affecting the Mortgaged Property. Lender shall have the right, at any time and from time to time, to notify any lessee of the rights of Lender as provided by this paragraph and any lessee shall be entitled to rely, without confirmation, on any notice received

from Lender. From time to time, upon request of Lender, Borrower shall specifically assign to Lender as additional security hereunder, by an assignment in writing in form approved by Lender, all right, title and interest of Borrower in and to any and all leases now or hereafter on or affecting the Mortgaged Property, together with all security therefor and all monies payable thereunder, subject to the conditional permission hereinabove given to Borrower to collect the rentals under any such lease. Borrower shall also execute and deliver to Lender any notification, financing statement, or other document reasonably required by Lender to perfect the foregoing assignment as to any such lease;

This instrument constitutes an absolute and present assignment of the rents, royalties, issues, profits, revenue, income, and other benefits from the Mortgaged Property, subject, however, to the conditional permission given to Borrower to collect, receive, take, use and enjoy the same as provided hereinabove; provided, further, that the existence or exercise of such right of Borrower shall not operate to subordinate this assignment to any subsequent assignment, in whole or in part, by Borrower, and any such subsequent assignment by Borrower shall be subject to the rights of Lender hereunder;

TOGETHER WITH all of Borrower's right, power or privilege to further encumber any of the Mortgaged Property for debt.

TOGETHER WITH all of the proceeds of the conversion, voluntary or involuntary, of any of the Mortgaged Property described herein into cash or other liquidated claims, or that are otherwise payable for injury to, or the taking or requisitioning of, the Mortgaged Property, including all insurance and condemnation proceeds.

TOGETHER WITH all of Borrower's right, title and interest in and to any and all contracts, written or oral, expressed or implied, now existing or hereafter entered into or arising, to the extent such are related to the improvement, use, operation, sale, conversion, or other disposition of any interest in the Mortgaged Property, including any and all deposits, prepaid items, and payments due and to become due thereunder, and including construction contracts, service contracts, advertising contracts, purchase orders, and equipment leases.

TOGETHER WITH all right, title and interest of Borrower in and to all tradenames hereafter used in connection with the operation of the Land, and all related marks, logos, and insignia.

TOGETHER WITH all contract rights, accounts, instruments, and general intangibles, as such terms from time to time are defined in the Uniform Commercial Code, to the extent such are related to the use, operation, sale, conversion, or other disposition (voluntary or involuntary) of the Mortgaged Property, including all such permits, licenses, insurance policies, rights of action, and other choses in action.

The Land, together with any and all of the aforescribed additional property and rights, now or hereafter acquired by Borrower, shall sometimes herein be referred to as the "Mortgaged Property".

Borrower (Debtor) hereby grants to Lender (Secured Party) a security interest in the Mortgaged Property to the extent permitted under the Uniform Commercial Code. This

Mortgage is a self-operative security agreement with respect to such property, but Borrower agrees to execute and deliver on demand such other security agreements, financing statements, and other instruments as Lender may request in order to perfect its security interest or to impose the lien hereof more specifically upon any of such property. Lender shall have all the rights and remedies, in addition to those specified herein, of a secured party under the Uniform Commercial Code.

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto the Lender, its successors and assigns, subject, however, to the terms and conditions herein;

PROVIDED, HOWEVER, that these presents are upon the condition that, if the Borrower shall pay or cause to be paid to the Lender the principal and interest payable in respect to the Note, at the times and in the manner stipulated therein and herein, all without any deduction or credit for taxes or other similar charges paid by the Borrower, and shall keep, perform and observe all and singular the covenants and promises in the Note, and any renewal, extension or modification thereof, and in this Mortgage expressed to be kept, performed and observed by and on the part of the Borrower, all without fraud or delay, then this Mortgage, and all the properties, interests and rights hereby granted, bargained, sold, aliened, remised, released, conveyed, assigned, transferred, mortgaged, hypothecated, pledged, delivered, set over, warranted and confirmed, shall cease, terminate and be void, but shall otherwise remain in full force and effect;

AND, Borrower covenants and agrees with Lender as follows:

ARTICLE ONE

PARTICULAR COVENANTS OF BORROWER

1.01 Performance of Note and Mortgage. The Borrower will perform, observe and comply with all the provisions hereof and of the Note secured hereby, and will promptly pay to the Lender the sum of money expressed in the Note with interest thereon and all other sums required to be paid by the Borrower pursuant to the provisions of this Mortgage on the days when payment shall become due, all without deduction or credit for taxes or other similar charges paid by the Borrower, time being of the essence for such payments.

1.02 Warranty of Title. The Borrower covenants that it is indefeasibly seized of the Land in fee simple, has good and absolute title to all existing personal property hereby mortgaged and has full power and lawful right to convey and mortgage the same in the manner and form aforesaid. The Borrower covenants that the Mortgaged Property is free from all encumbrances except taxes for the current year and except for those matters disclosed in the mortgagee title insurance commitment delivered to Lender, as approved by Lender. The Borrower hereby makes further assurance to perfect its fee simple interest in the Land as Lender may reasonably require. The Borrower does hereby fully warrant the title to the Mortgaged Property against the lawful claims of all persons whomsoever.

1.03 Taxes, Liens, and Utility Charges.

(a) Borrower covenants and agrees to pay all lawfully imposed taxes and assessments

upon the Mortgaged Property and shall not permit such taxes and assessments to become delinquent.

(b) The Borrower covenants and agrees to pay or discharge, prior to delinquency, any and all governmental levies that may be made on this Mortgage or the Note or in any other way resulting from the mortgage indebtedness secured by this Mortgage.

(c) The Borrower shall not permit any mechanic's, laborer's, statutory or other lien to remain outstanding upon any of the Mortgaged Property and shall cause same to be released and discharged, or transferred to bond as permitted by law.

(d) In the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation, subsequent to the date hereof, in any manner changing or modifying the laws now in force governing the taxation of mortgages or debts secured by mortgages, or the manner of collecting so as to adversely affect the Lender with respect to this Mortgage, at the option of the Lender, the entire balance of the principal sum secured by this Mortgage and all interest accrued thereon shall without notice become immediately due and payable. Provided however that Lender shall not be entitled to accelerate the indebtedness under this provision if Borrower pays to Lender the amount of any adverse charge, tax or fee imposed on Lender.

(e) The Borrower will pay when due and will not suffer to remain outstanding, any charges for utilities, whether public or private, with respect to the Mortgaged Property.

1.04 Insurance.

(a) Borrower shall procure for, deliver to and maintain for the benefit of Lender during the term of this Mortgage, original paid up insurance policies or certified copies of blanket policies of such insurance companies, in such amounts, in such form and substance, and with such expiration dates as are reasonably acceptable to Lender and containing a lender's loss payable endorsement in favor of Lender, and in a form acceptable to Lender, providing the following types of insurance covering the Mortgaged Property and the interest and liabilities incident to the ownership, possession and operation thereof:

(i) insurance against loss or damage by flood (in the event the Land is designated as flood prone or a flood risk area or flood insurance is required pursuant to the United States Flood Disaster Protection Act of 1973 as amended or supplemented or under any subsequent law then in effect) and by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, smoke, vandalism and malicious mischief, hazards included in so-called "extended coverage", and against such other hazard as, under good insurance practices, from time to time are insured against for properties of similar character and location, the amount of which insurance shall not be less than one hundred percent (100%) of the full insurable replacement value of the Mortgaged Property without deduction for depreciation, and which policies of insurance shall contain satisfactory replacement cost endorsements;

(ii) rent insurance against loss of income arising out of damage or destruction by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles, smoke, vandalism and malicious mischief and such other hazards as are presently

included in so-called "extended coverage" in an amount not less than one hundred percent (100%) of six (6) months gross rental income for the Mortgaged Property; and

(iii) such other insurance on the Mortgaged Property or any replacement or substitutions therefor and in such amounts as may from time to time be reasonably required by Lender against other insurable casualties which at the time are commonly insured against in the case of properties of similar character and location, due regard being given to the height and type of the improvements, its construction, location, use and occupancy, or any replacements or substitutions therefor.

(b) Lender is hereby authorized and empowered, at its option, to adjust or compromise any loss under any insurance policies maintained pursuant to this Paragraph 1.04, and to collect and receive the proceeds from any such policy or policies. Each insurance company is hereby authorized and directed to make payment for all such losses directly to Lender, instead of to Borrower and Lender jointly. In the event any insurance company fails to disburse directly and solely to Lender but disburses instead either solely to Borrower or to Borrower and Lender jointly, Borrower agrees immediately to endorse and transfer such proceeds to Lender. Upon the failure of Borrower to endorse and transfer such proceeds as aforesaid, Lender may execute such endorsements or transfers for and in the name of Borrower and Borrower hereby irrevocably appoints Lender as Borrower's agent and attorney-in-fact, coupled with an interest, so to do. After deducting from said insurance proceeds all of its expenses incurred in the collection and administration of such sums, including attorney's fees, Lender may apply the net proceeds or any part thereof, at its option, (i) to the payment of the indebtedness, whether or not due and in whatever order Lender elects, (ii) to the repair and/or restoration of the Mortgaged Property, and/or (iii) for any other purposes or objects for which Lender is entitled to advance funds under this Mortgage, all without affecting the security interest created by this Mortgage; and any balance of such moneys then remaining shall be paid to Borrower or the person or entity lawfully entitled thereto. Notwithstanding any provision of this Paragraph 1.04, Lender shall hold the proceeds in a non-interest bearing account and make the proceeds of insurance available to reimburse the Borrower or pay on the Borrower's behalf for the repair of the improvements on the Land subject to the following terms and conditions: (a) that Borrower is not then in Default under any of the terms, covenants and conditions of the Note, this Mortgage or any other agreement securing the Note and that at all times while restoration work progresses no such Default shall occur; (b) that Lender shall first be satisfied that by the expenditure of such insurance proceeds the improvements will be fully restored within a reasonable period of time to its value immediately preceding the loss or damage, free and clear of all liens, except the lien of this Mortgage and such other liens, as are specifically consented to by Lender in writing under this Mortgage; (c) that in the event such proceeds shall be insufficient to restore or rebuild such improvements, in Lender's judgment, Borrower shall deposit promptly with Lender funds which, together with the insurance proceeds, shall be sufficient in Lender's judgment to restore and rebuild the property; (d) that Borrower shall make best efforts to obtain a waiver of the right of subrogation from any insurer under such policies of insurance who, at that time, claims that no liability exists as to Borrower or the then owner or the assured under such policies; (e) that the excess of such insurance proceeds above the amount necessary to complete such restoration and compensate Borrower for all other insured losses shall be applied on account of the indebtedness or obligation hereby secured; (f) Lender reviews and approves in writing the plans and specifications for the restoration work and the same have

been approved by all governmental authorities having jurisdiction; (g) Borrower shall have furnished to Lender for Lender's approval a detailed budget and cost breakdown for said restoration work signed by Borrower and describing the nature and type of expenses and amounts thereof estimated by Borrower for said restoration work including, but not limited to, the cost of material and supplies, architect and designer fees, general contractor's fees, and the anticipated monthly disbursement schedule, and Lender shall have given to Borrower written approval of such budget and cost breakdown (if Borrower determines that its actual expenses differ from its estimated budget, it will so advise Lender promptly); (h) that in Lender's judgment, such restoration work can be completed prior to the maturity of the Note and (i) that Borrower shall deposit with Lender such sums as Lender may reasonably require for the repayment of the installments due under the Note, as specified therein, pending completion of repair. In the event any of such conditions are not or cannot be satisfied, then such insurance proceeds shall be disposed of as otherwise provided above. Under no circumstances shall Lender become obligated to take any action to restore such property. No insurance proceeds at any time held by Lender hereunder shall be deemed to be held in trust, and Lender may commingle such proceeds with its general assets. All such work shall be promptly commenced and diligently prosecuted to completion in accordance with the original, plans and specifications, and such proceeds shall be disbursed upon the disbursing party being furnished with satisfactory evidence of the cost of completion thereof and with architect's certificates, waivers of lien, contractors' and subcontractors' sworn statements, title policy continuations and other evidence of cost and payments so that the disbursing party can verify that the amounts disbursed from time to time are represented by completed and in-place work and that the work is free and clear of mechanic's lien claims. As to each contractor, no payment made prior to the final completion of such contractor's work shall exceed ninety percent (90%) of the value of the work performed from time to time by such contractor and at all times the undisbursed balance of such proceeds remaining in the hands of the disbursing party shall be at least sufficient to pay for the cost of completion of the work free and clear of the liens. Any surplus which may remain out of said proceeds, after payment of the cost of repair, rebuilding or restoration, shall, at the option of the Lender be applied on account of the indebtedness secured hereby or be paid to any party entitled thereto as the same appear on the records of the Lender. If the insurance proceeds or any of them are applied to the payment of the sums secured by this Mortgage, any such application of proceeds to principal shall be in such order as Lender may determine and, if after so applying such insurance proceeds the Lender reasonably determines the remaining security to be inadequate to secure the remaining indebtedness, Borrower shall, upon written demand from the Lender prepay on principal such an amount as will reduce the remaining indebtedness to a balance for which adequate security is present. Lender shall not be held responsible for any failure to collect any insurance proceeds due under the terms of any policy regardless of the cause of such failure.

(c) At least fifteen (15) days prior to the expiration of each policy maintained pursuant to this Paragraph 1.04, a renewal or replacement thereof satisfactory to Lender shall be delivered to Lender. Borrower shall deliver to Lender reasonable evidence of payment of all such insurance policies and renewals or replacements. Each policy maintained pursuant to this Paragraph 1.04 shall provide that the same cannot be canceled or coverage reduced or changed without at least thirty (30) days prior written notice to Lender. Blanket coverage policies are acceptable to Lender provided they contain stipulated value endorsements as to replacement cost. Should co-insurance or average clause be included in any of said policies, Borrower shall obtain

a Stipulated Value endorsement in form and content satisfactory to Lender. The delivery of any insurance policies hereunder shall constitute an assignment of all unearned premiums as further security hereunder. In the event of the foreclosure of this Mortgage or any other transfer of title to the Mortgaged Property in extinguishment or partial extinguishment of the Indebtedness, all right, title and interest of Borrower in and to all insurance policies then in force shall pass to the purchaser or to Lender, as the case may be, and Lender is hereby irrevocably appointed by Borrower as attorney-in-fact for Borrower, coupled with an interest, to assign any such policy to said purchaser or to Lender, as the case may be, without accounting to Borrower for any unearned premiums thereon.

1.05 Monthly Deposits. At the option of Lender and further to secure the payment of the taxes and assessments referred to in Paragraph 1.03, and insurance policies referred to in Paragraph 1.04 Borrower shall deposit with Lender, on the due date of each installment under the Note, such amounts as, in the estimation of Lender, shall be necessary to pay such charges as they become due, to be calculated upon the basis of the prior year's tax bills and the current year's insurance premiums; said deposits to be held by Lender, free of interest, and free of any liens or claims on the part of creditors of Borrower and as part of the security of Lender, and to be used by Lender to pay current taxes and assessments on the Mortgaged Property and insurance premiums as the same accrue and are payable. Payment from said sums for said purposes shall be made by Lender at its discretion and may be made even though such payments will benefit subsequent owners of the Mortgaged Property. Said deposits shall not be, nor be deemed to be, trust funds but may be commingled with the general funds of Lender. If said deposits are insufficient to pay taxes and assessments and insurance premiums in full as the same become payable, Borrower will deposit with Lender such additional sum or sums as may be required in order for Lender to pay such taxes and assessments and insurance premiums in full. Upon Default Lender may, at its option, apply any money in the fund resulting from said deposits to the payment of the Indebtedness in such manner as it may elect.

1.06 Condemnation. If all or any part of the Mortgaged Property shall be damaged or taken through condemnation (which term when used in this Mortgage shall include any damage or taking by any governmental authority, and any transfer by private sale in lieu thereof, either temporarily or permanently) so that the remaining property is not adequate security for the outstanding indebtedness in the reasonable opinion of the Lender, the entire indebtedness secured hereby shall at the option of the Lender become immediately due and payable. The Lender shall be entitled to all compensation, awards, and any other payments of relief therefor and is hereby authorized, at its option to commence, appear in and prosecute, in its own or the Borrower's name, any action or proceeding relating to any condemnation, and to settle or compromise any claim in connection therewith. All such compensation, awards, damages, claims, rights of action and proceeds and the right thereto are hereby assigned by the Borrower to the Lender, who after deducting therefrom all its reasonable expenses including attorneys' fees, may release any monies so received by it without affecting the lien of this Mortgage or may apply the same in such manner as the Lender shall determine, to the reduction of the sums secured hereby, and any balance of such monies then remaining shall be paid to the Borrower. The Borrower agrees to execute such further assignments of any compensations, awards, damages, claims, rights of action and proceeds as the Lender may require. Notwithstanding the provisions of this Paragraph 1.06, if a condemnation award or any portion thereof is for repair or restoration of the Mortgaged Property then such award or portion of award shall be held by Lender and shall be

made available to reimburse Borrower for such repair upon the same terms and conditions applicable to the proceeds of insurance as set forth in Paragraph 1.04(b).

1.07 Care of Property.

(a) The Borrower shall preserve and maintain the Mortgaged Property in good condition and repair. Borrower shall not remove or demolish any building presently on or hereafter existing on the Land without the written consent of the Lender. Borrower shall not permit, commit or suffer any waste, impairment or deterioration of the Mortgaged Property or of any part thereof, and will not take any action which will increase the risk of fire or other hazard to the Mortgaged Property or to any part thereof.

(b) Except as otherwise provided herein, no buildings, fixtures, personal property, or other part of the Mortgaged Property shall be removed, demolished or substantially altered without the prior written consent of the Lender. The Borrower may sell or otherwise dispose of, free from the lien of this Mortgage, furniture, furnishings, equipment, tools, appliances, machinery, fixtures or appurtenances, which may become worn out, undesirable, obsolete, disused or unnecessary for use in the operation of the Mortgaged Property, upon replacing the same with other furniture, equipment, tools, appliances, machinery, fixtures or appurtenances not necessarily of the same character, but of at least equal value to the Borrower and costing not less than the original acquisition cost of the property sold or otherwise disposed of, which shall forthwith become, without further action, subject to the lien of this Mortgage.

(c) If the Mortgaged Property or any part thereof is damaged by fire or any other cause, the Borrower will give immediate written notice of same to Lender.

(d) The Lender is hereby authorized to enter upon and to inspect the Mortgaged Property at any reasonable time during normal business hours during the life of this Mortgage.

(e) The Borrower will promptly comply with all present and future laws, ordinances, rules and regulations of any governmental authority affecting the Mortgaged Property or any part thereof.

(f) If all or any part of the Mortgaged Property shall be damaged by fire or other casualty, the Borrower will promptly restore the Mortgaged Property to the equivalent of its original condition regardless of whether or not there shall be any insurance proceeds therefor. If a part of the Mortgaged Property shall be physically damaged through condemnation, the Borrower will promptly restore, repair or alter the remaining property in a manner satisfactory to the Lender.

1.08 Further Assurances. Borrower will make, execute and deliver to the Lender and, where appropriate, shall cause to be recorded and/or filed and from time to time thereafter to be re-recorded and/or refiled at such time and in such offices and places as shall be deemed desirable by the Lender, any and all such further mortgages, instruments of further assurance, certificates and other documents as may, in the opinion of the Lender, be necessary or desirable in order to effectuate, complete, perfect, or to continue and preserve:

(a) The obligation of the Borrower under this Mortgage and Note secured hereby, and

(b) The lien of this Mortgage as a lien, upon all of the Mortgaged Property, whether now owned or hereafter acquired by the Borrower.

Upon any failure by the Borrower to do so, the Lender may make, execute, record, file, re-record and/or re-file any and all such mortgages, instruments, certificates and documents for and in the name of the Borrower, and the Borrower hereby irrevocably appoints the Lender the agent and attorney-in-fact of the Borrower, coupled with an interest, to do so.

1.09 After Acquired Property. The lien of this Mortgage will automatically attach, without further act, to all after acquired property attached to or used in the operation of the Mortgaged Property or any part thereof, including but not limited to the fee title to the Land.

1.10 Leases Affecting Mortgaged Property. The Borrower will comply with and observe its obligations as landlord under all leases affecting the Mortgaged Property or any part thereof. Upon request of Lender, Borrower will furnish Lender with executed copies of all leases hereafter created on the Mortgaged Property, amendments thereto, and all leases and amendments hereafter entered into will conform in form and substance to the sample lease supplied Lender. The Lender specifically reserves the right to approve all prospective lessees as to financial capabilities, which approval will not unreasonably be withheld. Provided however that Lender's approval shall not be required with respect to leases at market rates entered into by Borrower in the normal course of business. Unless otherwise herein specifically provided, all leases shall be inferior and subordinate in all respects to the lien of this Mortgage, and the terms of each lease shall so provide. Borrower will not, without the express written consent of the Lender, modify, surrender, or terminate, either orally or in writing, any lease hereafter created upon the Mortgaged Property, nor will the Borrower permit an assignment or sub-lease without the express written consent of the Lender, except with respect to leases at market rates entered into in the ordinary course of business. Borrower will not accept payment of rent more than two (2) months in advance without the express written consent of the Lender. If requested by the Lender, the Borrower will specifically assign to the Lender as additional security any and all such leases hereafter created, including, without limitation, all rents, royalties, issues and profits of the Mortgaged Property from time to time accruing, the parties hereto acknowledging that this Mortgage constitutes a general assignment of any and all such future leases.

1.11 Expenses. Borrower shall pay, or reimburse Lender for all reasonable costs, charges and expenses, including reasonable attorney's fees, including appellate proceedings, and disbursements, and costs of abstracts of title incurred or paid by Lender in any action, proceeding or dispute in which Lender is made a party or appears as a party plaintiff or party defendant because of the failure or alleged failure of the Borrower promptly and fully to perform and comply with all conditions and covenants of this Mortgage and the Note secured hereby, including but not limited to, the foreclosure of this Mortgage, condemnation of all or part of the Mortgaged Property, or any action to protect the security thereof. All costs, charges and expenses so incurred by Lender shall become due and payable whether or not there be notice, demand, attempt to collect or suit pending. The amounts so paid or incurred by Lender, together with interest thereon at the Default Rate as hereinafter defined from the date incurred until paid by Borrower, shall be secured by the lien of this Mortgage.

1.12 Lender's Performance of Defaults. If the Borrower shall Default in the payment

of any tax assessment, encumbrance or other imposition, in its obligation to furnish insurance hereunder or performance or observance of any other covenant, condition or term in this Mortgage, the Lender, may, at its option, without waiving or affecting its option to foreclose or any other rights hereunder, perform or observe the same, and all payments made or costs or expenses incurred by the Lender in connection therewith, shall be secured hereby and shall be immediately repaid by the Borrower to the Lender, with interest thereon at the Default Rate as hereinafter defined. Nothing contained herein shall be construed as requiring Lender to advance or expend monies for any purposes mentioned in this Paragraph. The Lender is hereby empowered to enter and to authorize others to enter upon the Mortgaged Property or any part thereof for the purpose of performing or observing any such Defaulted covenant, condition or terms, without thereby becoming liable to the Borrower or any person in possession holding under the Borrower.

1.13 Books and records. The Borrower shall keep and maintain, at all times, full, true and accurate books of accounts and records, in accordance with generally accepted accounting principles, adequate to reflect correctly the results of the operation of the Mortgaged Property.

1.14 Estoppel Affidavits. The Borrower and Lender, within ten (10) days after written request from the other, shall furnish a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on, the Note and whether or not any offsets or defenses exist against such principal and interest. Borrower shall pay to Lender a reasonable fee for any statement regarding the obligations secured hereby requested to be furnished by Lender in any amount determined by Lender.

ARTICLE TWO

DEFAULTS

2.01 Event of Default. The term "Default", wherever used in the Mortgage, shall mean any one or more of the following events:

(a) Failure by Borrower to pay any installments of principal or interest due under the Note, or any deposits for taxes and assessments or insurance premiums due hereunder, or any other sums to be paid by Borrower hereunder or under any other instrument securing the Note or any other instrument collateral to the Note or executed in connection with this loan transaction, within ten (10) days of the due date of such payment.

(b) Failure by Borrower to duly keep, perform and observe any other covenant, condition or agreement in the Note, this Mortgage, any other instrument securing the Note or any other instrument collateral to the Note or executed in connection with this loan transaction, for a period of 30 days after Lender gives written notice specifying the breach.

(c) If Borrower or any endorser or guarantor of the Note shall file a voluntary petition in bankruptcy or shall be adjudicated a bankrupt or insolvent, or shall file any petition or answer seeking any reorganization, arrangement, composition, readjustment, liquidation, wage earner's plan, assignment for the benefit of creditors, receivership, dissolution or similar relief under any present or future Federal Bankruptcy Act or any other present or future applicable federal, state or other statute or law, or shall seek or consent to or acquiesce in the appointment of any trustee,

receiver or liquidator of Borrower or all or any part of the properties of Borrower or of any guarantor or endorser of the Note; or if within sixty (60) days after commencement of any proceeding against Borrower or any guarantor or endorser of the Note, seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution, debtor relief or similar relief under any present or future Federal Bankruptcy Act or any other present or future federal, state or other statute or law, such proceeding shall not have been dismissed, or stayed on appeal; or if, within sixty (60) days after the appointment, without the consent or acquiescence of Borrower or of any endorser or guarantor of the Note, of any trustee, receiver, or liquidator of Borrower or any endorser or guarantor of the Note, or of all or any portion of the Mortgaged Property, such appointment shall not have been vacated or stayed on appeal or otherwise; or if within sixty (60) days after the expiration of any such stay, such appointment shall not have been vacated.

(d) The entry by any court of last resort of a decision that an undertaking by the Borrower as herein provided to pay taxes, assessments, levies, liabilities, obligations and encumbrances is legally inoperative or cannot be enforced, or in the event of the passage of any law changing in any way or respect the laws now in force for the taxation of mortgages or debts secured thereby (which are in the nature of documentary stamps or intangible taxes) for any purpose or the manner of collection of any such taxes, so as to affect adversely this Mortgage or the debt secured hereby.

(e) If a default shall have occurred with respect to any other mortgage encumbering the Mortgaged Property, or if foreclosure or other proceedings to enforce a lien should be instituted with respect to any lien of any kind upon the Mortgaged Property.

(f) Any breach of any warranty or material untruth of any representation of Borrower contained in the Note, this Mortgage or any other instrument securing the Note or any other instrument executed in connection with this loan.

2.02 Acceleration of Maturity. If a Default shall have occurred and be continuing, the Lender may declare the entire principal amount of the Note then unpaid, and the interest accrued thereon to be due and payable immediately, and upon such declaration such principal and interest shall forthwith become and be due and payable, as fully and to the same effect as if the date of such declaration were the date originally specified for the maturity of the unpaid balance of the Note.

2.03 Lender's Right to Enter and Take Possession, Operate and Apply Income.

(a) If a Default shall have occurred and be continuing, the Borrower, upon demand of the Lender, shall forthwith surrender to the Lender the actual possession of the Mortgaged Property, and to the extent permitted by law the Lender itself, or such officers or agents as it may appoint, may enter and take possession of all the Mortgaged Property, and may exclude the Borrower and its agents and employees wholly therefrom, and may have joint access with the Borrower to the books, papers and accounts of the Borrower.

(b) If the Borrower shall, for any reason, fail to surrender or deliver any such Mortgaged Property or any part thereof after such demand by the Lender, the Lender may obtain

a judgment or decree conferring on the Lender the right to immediate possession or requiring the Borrower to deliver immediate possession of all or part of such Mortgaged Property to the Lender, to the entry of which judgment or decree the Borrower hereby specifically consents.

(c) The Borrower will pay to the Lender, upon demand, all reasonable expenses of obtaining such judgment or decree and reasonable compensation to the Lender, its attorneys and agents; and all such expenses and compensation shall, until paid, be secured by the lien of this Mortgage.

(d) Upon every such entering upon or taking of possession, the Lender may hold, store, use, operate, manage and control the Mortgaged Property and conduct the business thereof, and, from time to time

(i) make all necessary (as determined by Lender in its sole and absolute discretion) maintenance, repairs, renewals, replacements, additions, betterments and improvements thereto and thereon, and purchase or otherwise acquire additional fixtures, personalty and other property;

(ii) insure or keep the Mortgaged Property insured and exercise all the rights and powers of the Borrower in its name or otherwise, with respect to the same;

(iii) manage and operate the Mortgaged Property and exercise all the rights and powers of the Borrower in its name or otherwise, with respect to the same;

(iv) enter into any and all agreements with respect to the exercise by others of any of the powers herein granted the Lender,

all as the Lender from time to time may determine to be to its best advantage; and the Lender may collect and receive all the income, revenues, rents, issues and profits of the same, including those past due as well as those accruing thereafter, and after deducting:

(aa) all expenses of taking, holding, managing, and operating the Mortgaged Property (including compensation for the services of all persons employed for such purposes);

(bb) the cost of all such maintenance, repairs, renewals, replacements, additions, betterments, improvements and purchases and acquisitions;

(cc) the cost of such insurance;

(dd) such taxes, assessments and other charges prior to the lien of this Mortgage as the Lender may determine to pay;

(ee) other proper charges upon the Mortgaged Property or any part thereof; and

(ff) the reasonable compensation expenses, and disbursements of the attorneys and agents of the Lender,

shall apply the remainder of the monies so received by the Lender, first to the payment of accrued interest; second to the payment of any required tax deposit, insurance deposit or

expenses required by Lender; and third toward the outstanding principal balance on the Note.

2.04 Lender's Power of Enforcement. If a Default shall have occurred and be continuing the Lender may, either with or without entry or taking possession as hereinabove provided or otherwise, proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy (a) to enforce payment of the Note or the performance of any term hereof or any other right, (b) to foreclose this Mortgage and to sell, as an entirety or in separate lots or parcels, the Mortgaged Property, under the judgment or decree of a court or courts of competent jurisdiction, and (c) to pursue any other remedy available to it, all as the Lender shall deem most effectual for such purposes. The Lender shall take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, as the Lender may determine.

2.05 Leases. The Lender, at the Lender's option, is authorized to foreclose this mortgage, subject to the rights of any tenants of the Mortgaged Property, and the failure to make any such tenants parties defendant to any such foreclosure proceedings and to foreclose its rights will not be, nor be asserted by the Borrower as a defense to any proceedings instituted by the Lender to collect the sums secured hereby, or any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property.

2.06 Principal and Interest Become Due on Foreclosure. Upon commencement of suit or foreclosure of this Mortgage, the unpaid principal of the Note, if not previously declared due, and the interest accrued thereon, shall at once become and be immediately due and payable.

2.07 Purchase by Lender. Upon any such foreclosure sale, pursuant to judicial proceedings, the Lender may bid for and purchase the Mortgaged Property and, upon compliance with the terms of the sale, may hold, retain and possess and dispose of such property in its own absolute right, without further accountability.

2.08 Application of Indebtedness Toward Purchase Price. Upon any such foreclosure sale, pursuant to judicial proceedings, the Lender may, if permitted by law, after allowing for the proportion of the total purchase price required to be paid in cash for the costs and expenses of the sale, compensation and other charges, in paying the purchase price, apply to the purchase price any portion of or all sums due to the Lender under the Note and this Mortgage, in lieu of cash, to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon.

2.09 Waiver of Appraisal, Valuation, Stay, Extension and Redemption Laws. The Borrower agrees to the full extent permitted by law, that in case of a Default on its part hereunder, neither the Borrower nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisal, valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, or the absolute sale of the property hereby conveyed, to the final and absolute putting into possession thereof, immediately after such sale; of the purchasers thereat, and the Borrower, for itself and all who may at any time claim through or under it, hereby waives to the full extent that it may lawfully do so, the benefit of all such laws, and any and all right to have the assets comprised in the security intended to be created hereby marshaled upon any foreclosure of the lien hereof and agrees that the Lender or any court having jurisdiction to foreclose such lien may sell the Mortgaged Property as an entirety.

2.10 Receiver. If a Default shall occur and be continuing, then upon the filing of a bill in equity or other commencement of judicial proceedings to enforce the rights of the Lender, the Lender to the extent permitted by law and without regard to the value or occupancy of the security shall be entitled as a matter of right to the appointment of a receiver to enter upon and take possession of the Mortgaged Property. The receiver shall collect all rents, revenues, issues, income, products and profits thereof, pending such proceedings and apply the same as the court may direct. The receiver shall have all rights and powers permitted under the laws of _____ and such other powers as the court making such appointment shall confer. The reasonable expenses, including receiver's fees, counsel fees, costs and agent's compensation, incurred pursuant to the powers herein contained shall be secured by this Mortgage. The right to enter and take possession of, to manage and operate, the Mortgaged Property, to collect the rents, issues and profits thereof, whether by a receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. Lender shall be liable to account only for such rents, issues and profits actually received by Lender, whether received pursuant to this Paragraph 2.10 or Paragraph 2.03 above. Notwithstanding the appointment of any receiver, trustee or other custodian, the Lender shall be entitled as pledgee to the possession and control of any cash, or other instruments at the time held by, or payable or deliverable under the terms of this Mortgage to the Lender.

2.11 Suits to Protect the Mortgaged Property. The Lender shall have power (a) to institute and maintain such suits and proceedings as they may deem expedient to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or any violation of the Mortgage, (b) to preserve or protect its interest in the Mortgaged Property and in the income, revenues, rents and profits arising therefrom, and (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with, such enactment, rule or order would impair the security hereunder or be prejudicial to the interest of the Lender.

2.12 Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting the Borrower, its creditors, or its property, the Lender, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have the claims of the Lender allowed in such proceedings for the entire amount due and payable by the Borrower under this Mortgage at the date of the institution of such proceedings and for any additional amount which may become due and payable by the Borrower hereunder after such date.

2.13 Acceleration; Application of Monies by Lender.

(a) If Default shall be made in the payment of any amount due under the Mortgage or the Note secured hereby, then, upon demand of the Lender, the Borrower will pay to the Lender the entire amount due and payable under the Note. If Borrower shall fail to pay the same forthwith upon such demand, the Lender shall be entitled to sue for and to recover judgment against the Mortgaged Property for the whole amount so due and unpaid together with costs, which shall include the reasonable compensation, expenses and disbursements of the Lender's agents and attorneys either before, after or during the pendency of any proceedings for the enforcement of this Mortgage including appellate proceedings. The right of the Lender to

recover such judgment shall not be precluded by any taking, possession or foreclosure sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the terms of this Mortgage, or the foreclosure of the lien hereof.

(b) Any monies thus collected by the Lender or received by the Lender under this Paragraph 2.13 shall be applied as follows:

First to the payment of the reasonable attorneys fees and expenses incurred by Lender, its agents and attorneys, including but not limited to taxes paid, insurance premiums paid, receivers fees, etc.

Second, toward payment of the amounts due and unpaid upon the Note.

2.14 Delay or Omission No Waiver. No delay or omission of the Lender or of any holder of the Note to exercise any right, power or remedy accruing upon any Default shall exhaust or impair any such right, power or remedy or shall be construed to be a waiver of any such Default, or acquiescence therein; and every right, power and remedy given by this Mortgage to the Lender may be exercised from time to time and as often as may be deemed expedient by the Lender.

2.15 No Waiver of One Default to Affect Another. No waiver of any Default hereunder shall extend to or shall affect any subsequent or any other then existing Default or shall impair any rights, powers or remedies consequent thereon. By way of example, and not by way of limitation, if the Lender (a) grants forbearance or an extension of time for the payment of any sums secured hereby; (b) takes other or additional security for the payment thereof; (c) waives or does not exercise any right granted herein or in the Note; (d) releases any part of the Mortgaged Property from the Note or Mortgage; (e) consents to the filing of any map, plat or replat thereof; (f) consents to the granting of any easement thereof, or (g) makes or consents to any agreement subordinating the lien hereof, any such act or omission shall not release, discharge, modify, change or affect the original liability under the Note, Mortgage or otherwise of the Borrower or any subsequent purchaser of the Mortgaged Property or any part thereof, or any maker, co-signer, endorser, surety or guarantor; nor shall any such act or omission preclude the Lender from exercising any right, power or privilege herein granted or intended to be granted in the event of any other Default then made or of any subsequent Default nor, except as otherwise expressly provided in an instrument or instruments executed by the Lender, shall the lien of this Mortgage be altered thereby. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Mortgaged Property, the Lender, without notice to any person or corporation, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Mortgaged Property or the indebtedness secured hereby, or with reference to any of the terms or conditions hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any of the liabilities or undertakings hereunder.

2.16 Discontinuance of Proceedings - Position of Parties Restored. In case the Lender shall have proceeded to enforce any right or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Lender, then and in every such case, the Borrower

and the Lender shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of the Lender shall continue as if no such proceeding has been taken.

2.17 Remedies Cumulative. No right, power or remedy conferred upon or reserved to the Lender by this Mortgage is intended to be exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or now or hereafter existing at law or in equity or by statute.

2.18 Subrogation. The Lender hereby is subrogated to the claims and liens of all parties whose claims or liens are discharged or paid with the proceeds of the indebtedness secured by this Mortgage.

ARTICLE THREE

MISCELLANEOUS PROVISIONS

3.01 Successors, Assigns Included in Parties. Whenever in this Mortgage one of the parties hereto is named or referred to, the successors and assigns of such party shall be included and all covenants and agreements contained in this Mortgage by or on behalf of the Borrower or by or on behalf of Lender, shall bind and inure to the benefit of its respective successors and assigns subject to the provisions of Paragraph 3.07, whether so expressed or not. Whenever the singular or plural number, masculine or feminine or neuter gender is used herein, it shall equally include the other.

3.02 Notice.

(a) Borrower. Any notice, demand or other instrument authorized by this Mortgage to be served on or given to the Borrower may be served on or given to the Borrower, at:

or at such other address as may have been furnished in writing to the Lender by the Borrower.

(b) Lender. Any notice, demand or other instrument to be served on or given to the Lender may be served on or given to the Lender at its offices located at:

or at such other address as may have been furnished in writing to the Borrower by the Lender.

(c) Delivery of Notice. All notices shall be in writing and shall be delivered by Certified mail, return receipt requested, or be hand delivered. All notices shall be deemed made when delivery is first attempted at the address or addresses required hereunder.

3.03. Headings. The headings of the articles, sections, paragraphs and subdivisions of this Mortgage are for convenience of reference only, and are not to be considered a part hereof, and shall not limit or otherwise affect any of the terms hereof.

3.04 Invalid Provisions to Affect No Others. In case any one or more of the covenants, agreements, terms or provisions contained in this Mortgage or in the Note or in any instruments collateral to the Note or executed in connection with this loan transaction shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein and in the Note shall be in no way affected, prejudiced or disturbed thereby.

3.05 Modifications. It is understood and agreed that the Lender may at any time, without notice to any person, grant to the Borrower any modification of any kind or nature whatsoever, or allow any change or changes, substitution or substitutions of any of the property described in this Mortgage or any other collateral which may be held by the Lender without in any manner affecting the liability of the Borrower, any endorsers or guarantors of the indebtedness hereby secured or any other person for the payment of said indebtedness, together with any interest and any other sums which may be due and payable to the Lender, and also without in any manner affecting or impairing the lien of this Mortgage upon the remainder of the Mortgaged Property and other collateral which is not changed or substituted; and it is also understood and agreed that the Lender may at any time, without notice to any person, release any portion of the property described in this Mortgage or any other collateral, or any portion of any other collateral which may be held as security for the payment of the indebtedness hereby secured, either with or without any consideration of such release or releases, without in any manner affecting the liability of the Borrower, all endorsers or guarantors, if any, and all other persons who are or shall be liable for the payment of said indebtedness, and without affecting, disturbing or impairing in any manner whatsoever the validity and priority of the lien of this Mortgage for the full amount of the indebtedness remaining unpaid, together with all interest and advances which shall become payable, upon the entire remainder of the Mortgaged Property which is unreleased, and without in any manner affecting or impairing to any extent whatsoever any and all other collateral security which may be held by the Lender. It is distinctly understood and agreed by the Borrower and the Lender that any release or releases may be made by the Lender without the consent or approval of any other person or persons whomsoever.

3.06 Uniform Commercial Code. The parties agree that this Mortgage is a security agreement under the Uniform Commercial Code for the purpose of creating a lien on the personal property and fixtures described herein.

3.07 No Transfer. Borrower understands that in making this loan, Lender is relying to a material extent upon the business expertise and net worth of Borrower, and upon the continuing interest which Borrower will have in the Mortgaged Property. Accordingly, in the event that (i) Borrower, directly or indirectly, voluntarily or involuntarily, sells, enters into a contract of sale, assigns, transfers, disposes of, alienates or further encumbers, all or any portion of or any interest

in the Mortgaged Property, or suffers to exist any other lien against all or any portion of or any interest in the Mortgaged Property, or leases the Mortgaged Property or any part thereof with an option to purchase, or changes the character or use of the Mortgaged Property, or drills or extracts, or enters into a lease for the drilling for or extraction of oil, gas or other hydrocarbon substances or any mineral of any kind on the Mortgaged Property, or (ii) Borrower is a partnership and the interest of any of its general partners (or in the event one or more of the general partners is a partnership and the interest of any of its general partners) is assigned or transferred or its equity position in the partnership is diluted in any manner whatsoever, or (iii) if Borrower is a corporation and any portion of the capital stock of such corporation is directly or indirectly, voluntarily or involuntarily, sold, assigned, transferred disposed of or encumbered, or (iv) if Borrower is a trust and any portion of the beneficial interest in such trust is, directly or indirectly, voluntarily or involuntarily, sold, assigned, transferred disposed of or encumbered, or (v) Borrower agrees to do any of the foregoing acts; then or at any time thereafter, Lender, at its option, may declare the entire loan immediately due and payable.

The option of Lender under this Paragraph 3.07 to declare a Default for any of the above-mentioned acts, may be exercised at any time after the occurrence of any such event and the acceptance of one or more installments from any person thereafter shall not constitute a waiver of Lender's option. Lender's consent to any sale, assignment, transfer, disposition, encumbrance or other lien, or failure to exercise such option with respect thereto shall not be construed as a waiver of the provisions hereof with regard to any subsequent transactions.

3.08 Future Advances. This Mortgage is given to secure not only the existing indebtedness of Borrower to Lender evidenced by the Note secured hereby, but also such future advances up to an additional \$_____ as are made within twenty (20) years from date hereof, plus interest thereon, and other liens on the property encumbered by this Mortgage, with interest on such disbursements, which advances shall be secured hereby to the same extent as if such future advances were made this date. The total amount of indebtedness secured hereby may increase or decrease from time to time. The provisions of this paragraph shall not be construed to imply any obligation on Lender to make any future advances, it being the intention of the parties that any future advances shall be solely at the discretion and option of the Lender. Any reference to "Note" in this Mortgage shall be construed to reference any future advances made pursuant to this paragraph.

3.09 Leasing Commission. Borrower covenants that every agreement to pay leasing commissions with respect to the leasing of space in the Mortgaged Property, or any part thereof, are and shall be subject, subordinate and inferior to the right of Lender, so that in the event Lender acquires title to the Mortgaged Property either at a foreclosure sale or by other means, Lender will be exonerated and discharged from all liabilities for the payment of any such commissions or compensations.

3.10 Time is of the Essence. It is specifically agreed that time is of the essence of this Mortgage and that no waiver of any obligation hereunder or of the obligation secured hereby shall at any time thereafter be held to be a waiver of the terms hereof or of the instrument secured hereby.

3.11 Attorney's Fees and Expenses. Wherever provision is made herein for payment

for reasonable attorney's or counsel's fees or expenses incurred by the Lender, said provision shall include, but not be limited to, reasonable attorney's or counsel's fees or expenses incurred in any and all judicial, bankruptcy, reorganization, administrative, or other proceedings, including appellate proceedings, whether such proceeding arises before or after entry of a final judgment.

3.12 Maximum Rate of Interest. Nothing herein contained, nor in the Note secured hereby or any instrument or transaction related thereto, shall be construed or so operate as to require the Borrower, Maker, or any person liable for the payment of the loan made pursuant to said Note, to pay interest in an amount or at a rate greater than the maximum allowed by law. Should any interest or other charges in the nature of the interest paid by the Borrower, Maker or any parties liable for the payment of the loan made pursuant to said Note, result in the computation or earning of interest in excess of the maximum rate of interest allowed by applicable law, then any and all such excess shall be and the same is hereby waived by the holder hereof, and all such excess shall be automatically credited against and in reduction of the principal balance, and any portion of said excess which exceeds the principal balance shall be paid by the holder hereof to the Borrower, Maker or any parties liable for the payment of the loan made pursuant to said Note, it being the intent of the parties hereto that under no circumstances shall the Borrower, Maker or any parties liable for the payment of the loan hereunder, be required to pay interest in excess of the maximum rate allowed by law.

3.13 Applicable Law. This Mortgage shall be interpreted, construed and enforced according to the laws of the State of _____.

3.14 Financial Statements. Borrower agrees on behalf of itself, and all guarantors, co-makers, and endorsers of the Note, to deliver to the Lender, annual operating statements setting forth the income and expenses derived from and attributable to the Mortgaged Property within ninety (90) days of the close of the Borrower's fiscal year, and personal financial statements of any guarantor, co-maker or endorser (upon the request of Lender), and Borrower acknowledges and agrees that this provision is a material consideration for the granting of this Mortgage, and that if the Borrower, and all guarantors, co-makers and endorsers fail or refuse to deliver such financial statements within thirty (30) days after written notice from the Lender to said respective parties, that such failure to deliver such financial statements shall be considered a Default, and the Lender may, at its option, elect to accelerate the remaining unpaid principal balance due and payable on the Note, together with all accrued interest, as if the Borrower defaulted in a payment due and payable under the terms of the Note. The form of the financial statements shall be subject to approval by Lender and shall include such detail, supplemental schedules and certifications as Lender may reasonably require.

3.15 Default Rate. In the event of Default as defined in Paragraph 2.01, interest shall be payable on the whole of the outstanding principal balance from the date of such event of Default and for the subsequent duration of such Default at the maximum rate allowable under applicable law ("Default Rate").

ARTICLE FOUR

ADDITIONAL PROVISIONS

4.01 Provisions Relating to Hazardous Materials.

(a) After due inquiry and investigation, Borrower represents and warrants that (i) the Mortgaged Property is not in violation of any Hazardous Materials Law as to conditions on, under or about the Mortgaged Property including, but not limited to, soil and groundwater condition; (ii) neither Borrower nor, to the best of Borrower's knowledge, any other person has used, generated, manufactured, stored or disposed of on, under or about the Mortgaged Property or transported to or from the Mortgaged Property any Hazardous Materials; (iii) there are no underground storage tanks under the Mortgaged Property; and (iv) the Mortgaged Property and its current use comply with all Hazardous Materials Law.

(b) Borrower covenants and agrees that Borrower shall not cause or permit the presence, use, generation, manufacture, release, discharge, storage or disposal of any Hazardous Materials on, under in or about the Mortgaged Property, or the transportation of any Hazardous Materials to or from the Mortgaged Property, Borrower shall immediately notify Lender in writing of: (i) any enforcement, cleanup, removal or other governmental or regulatory action instituted, completed or threatened in connection with any Hazardous Materials; (ii) any claim made or threatened by any third party against Borrower or the Mortgaged Property relating to damage, contribution, cost recovery, compensation, loss or injury resulting from any Hazardous Materials; and (iii) Borrower's discovery of any occurrence or condition on any real property adjoining or in the vicinity of the Mortgaged Property that could cause all or any portion of the Mortgaged Property to be subject to any restrictions on the ownership, occupancy, transferability or use of the Mortgaged Property under Hazardous Materials Law. Without Lender's prior written consent, Borrower shall not take any remedial action in response to the presence of any Hazardous Materials on, in, under or about the Mortgaged Property, nor enter into any settlement agreement, consent decree or other compromise in respect to any Hazardous Materials.

(c) Borrower shall indemnify, defend and hold Lender, its employees, agents, officers and directors, harmless from and against any claim, action, suit, proceeding, loss, cost, damage, liability, deficiency, fine, penalty, punitive damage or expense (including, without limitation, attorneys' and consultant fees), directly or indirectly resulting from, arising out of, or based upon (i) the presence, release, use, manufacture, generation, discharge, storage or disposal of any Hazardous Materials on, under, in or about, or the transportation of any such materials to or from, the Mortgaged Property, or (ii) the violation, or alleged violation, of any Hazardous Materials Law affecting the Mortgaged Property, or the transportation of Hazardous Materials to or from the Mortgaged Property. This indemnity shall include, without limitation, any damage, liability, fine, penalty, punitive damage, cost or expense arising from or out of any claim, action, suit or proceeding for personal injury (including sickness, disease or death), tangible or intangible property damage, compensation for lost wages, business income, profits or other economic loss, damage to the natural resources or the environment, nuisance, pollution, contamination, leak, spill, release or other adverse effect on the environment, and the cost of any required or necessary repair, cleanup, treatment or detoxification of the Mortgaged Property, and the preparation and implementation of any closure, disposal, remedial or other required actions

in connection with the Mortgaged Property.

(d) At any time during the term of this Mortgage, Lender shall have the right, on twenty-four (24) hours prior written notice to Borrower, to enter the Mortgaged Property and to conduct such tests and investigations as Lender reasonably deems necessary to determine whether any Hazardous Materials are present in, under, on or about the Mortgaged Property. Such tests and investigations shall include, without limitation, underground borings, ground water analyses and borings from the floors, ceilings and walls of any improvements located on the Mortgaged Property. Lender shall indemnify, defend and hold Borrower harmless from any and all loss, cost, damage, injury or expense arising out of or relating to claims resulting the exercise of Lender's right of entry under this Paragraph.

(e) "Hazardous Materials Law", for purposes of this Paragraph 4.02 means any federal, state, or local law, ordinance or regulation or any court judgment applicable to Borrower or to the Mortgaged Property relating to industrial hygiene or to environmental conditions including, but not limited to, those relating to the release, emission or discharge of Hazardous Materials, those in connection with the construction, fuel supply, power generation and transmission, waste disposal or any other operations or processes relating to the Mortgaged Property. "Hazardous Materials Law" shall include, but not be limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, the Hazardous Materials Transportation Act, the Resource Conservation and Recovery Act, the Solid Waste Disposal Act, the Clean Water Act, the Clean Air Act, Chapter 376 _____ Statutes.

"Hazardous Materials", for purposes of this Paragraph 4.02, includes flammable explosives, radioactive materials, polychlorinated biphenyls, asbestos in any form which is or could become friable, hazardous waste, toxic substances or other related materials whether in the form of a chemical, element, compound, solution, mixture or otherwise including, but not limited to, those materials defined as "hazardous substances", "hazardous materials", "toxic substances", "air pollutants", "toxic pollutants", "hazardous wastes", "extremely hazardous waste" or "restricted hazardous waste" by Hazardous Material Law.

4.02 Waiver of jury trial. Borrower and Lender hereby knowingly, voluntarily and intentionally waive the right either of them may have to a trial by jury with respect to any litigation based hereon, or arising out of, under or in connection with this Mortgage or any other agreement, document or instrument contemplated to be executed in connection with this Mortgage, or any course of conduct, course of dealing, statements (whether verbal or written) or actions of any party hereto. This provision is a material inducement for the Lender entering into this Mortgage.

IN WITNESS WHEREOF, the undersigned has executed this instrument the day and year first above written.

Witnesses:

Borrower:

Witness signautre
Print witness name _____

Witness signautre
Print witness name _____

President

STATE OF _____
COUNTY OF _____

The foregoing instrument was acknowledged before me this ____ day of _____, 19__ by _____, President of _____, on behalf of the corporation. He/she is personally known to me or who has produced _____ as identification.

Notary Public
Print Name: _____

(Seal)

My Commission Expires:



A. Settlement Statement (HUD-1)

B. Type of Loan

1. <input type="checkbox"/> FHA	2. <input type="checkbox"/> RHS	3. <input type="checkbox"/> Conv. Unins.	6. File Number:	7. Loan Number:	8. Mortgage Insurance Case Number:
4. <input type="checkbox"/> VA	5. <input type="checkbox"/> Conv. Ins.				

C. Note: This form is furnished to give you a statement of actual settlement costs. Amounts paid to and by the settlement agent are shown. Items marked "(p.o.c.)" were paid outside the closing; they are shown here for informational purposes and are not included in the totals.

D. Name & Address of Borrower:	E. Name & Address of Seller:	F. Name & Address of Lender:
G. Property Location:	H. Settlement Agent:	I. Settlement Date:
	Place of Settlement:	

J. Summary of Borrower's Transaction

100. Gross Amount Due from Borrower	
101. Contract sales price	
102. Personal property	
103. Settlement charges to borrower (line 1400)	
104.	
105.	
Adjustment for items paid by seller in advance	
106. City/town taxes to	
107. County taxes to	
108. Assessments to	
109.	
110.	
111.	
112.	
120. Gross Amount Due from Borrower	
200. Amount Paid by or in Behalf of Borrower	
201. Deposit or earnest money	
202. Principal amount of new loan(s)	
203. Existing loan(s) taken subject to	
204.	
205.	
206.	
207.	
208.	
209.	
Adjustments for items unpaid by seller	
210. City/town taxes to	
211. County taxes to	
212. Assessments to	
213.	
214.	
215.	
216.	
217.	
218.	
219.	
220. Total Paid by/for Borrower	
300. Cash at Settlement from/to Borrower	
301. Gross amount due from borrower (line 120)	
302. Less amounts paid by/for borrower (line 220)	()
303. Cash	<input type="checkbox"/> From <input type="checkbox"/> To Borrower

K. Summary of Seller's Transaction

400. Gross Amount Due to Seller	
401. Contract sales price	
402. Personal property	
403.	
404.	
405.	
Adjustment for items paid by seller in advance	
406. City/town taxes to	
407. County taxes to	
408. Assessments to	
409.	
410.	
411.	
412.	
420. Gross Amount Due to Seller	
500. Reductions In Amount Due to seller	
501. Excess deposit (see instructions)	
502. Settlement charges to seller (line 1400)	
503. Existing loan(s) taken subject to	
504. Payoff of first mortgage loan	
505. Payoff of second mortgage loan	
506.	
507.	
508.	
509.	
Adjustments for items unpaid by seller	
510. City/town taxes to	
511. County taxes to	
512. Assessments to	
513.	
514.	
515.	
516.	
517.	
518.	
519.	
520. Total Reduction Amount Due Seller	
600. Cash at Settlement to/from Seller	
601. Gross amount due to seller (line 420)	
602. Less reductions in amounts due seller (line 520)	()
603. Cash	<input type="checkbox"/> To <input type="checkbox"/> From Seller

The Public Reporting Burden for this collection of information is estimated at 35 minutes per response for collecting, reviewing, and reporting the data. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number. No confidentiality is assured; this disclosure is mandatory. This is designed to provide the parties to a RESPA covered transaction with information during the settlement process.

L. Settlement Charges

700. Total Real Estate Broker Fees		Paid From Borrower's Funds at Settlement	Paid From Seller's Funds at Settlement
Division of commission (line 700) as follows :			
701. \$	to		
702. \$	to		
703. Commission paid at settlement			
704.			

800. Items Payable in Connection with Loan			
801. Our origination charge	\$	(from GFE #1)	
802. Your credit or charge (points) for the specific interest rate chosen	\$	(from GFE #2)	
803. Your adjusted origination charges		(from GFE #A)	
804. Appraisal fee to		(from GFE #3)	
805. Credit report to		(from GFE #3)	
806. Tax service to		(from GFE #3)	
807. Flood certification to		(from GFE #3)	
808.			
809.			
810.			
811.			

900. Items Required by Lender to be Paid in Advance			
901. Daily interest charges from	to	@ \$	/day (from GFE #10)
902. Mortgage insurance premium for	months to		(from GFE #3)
903. Homeowner's insurance for	years to		(from GFE #11)
904.			

1000. Reserves Deposited with Lender			
1001. Initial deposit for your escrow account		(from GFE #9)	
1002. Homeowner's insurance	months @ \$	per month \$	
1003. Mortgage insurance	months @ \$	per month \$	
1004. Property Taxes	months @ \$	per month \$	
1005.	months @ \$	per month \$	
1006.	months @ \$	per month \$	
1007. Aggregate Adjustment		-\$	

1100. Title Charges			
1101. Title services and lender's title insurance		(from GFE #4)	
1102. Settlement or closing fee	\$		
1103. Owner's title insurance		(from GFE #5)	
1104. Lender's title insurance	\$		
1105. Lender's title policy limit \$			
1106. Owner's title policy limit \$			
1107. Agent's portion of the total title insurance premium to	\$		
1108. Underwriter's portion of the total title insurance premium to	\$		
1109.			
1110.			
1111.			

1200. Government Recording and Transfer Charges			
1201. Government recording charges		(from GFE #7)	
1202. Deed \$	Mortgage \$	Release \$	
1203. Transfer taxes		(from GFE #8)	
1204. City/County tax/stamps	Deed \$	Mortgage \$	
1205. State tax/stamps	Deed \$	Mortgage \$	
1206.			

1300. Additional Settlement Charges			
1301. Required services that you can shop for		(from GFE #6)	
1302.	\$		
1303.	\$		
1304.			
1305.			

1400. Total Settlement Charges (enter on lines 103, Section J and 502, Section K)			

Uniform Residential Loan Application

This application is designed to be completed by the applicant(s) with the Lender's assistance. Applicants should complete this form as "Borrower" or "Co-Borrower", as applicable. Co-Borrower information must also be provided (and the appropriate box checked) when the income or assets of a person other than the "Borrower" (including the Borrower's spouse) will be used as a basis for loan qualification or the income or assets of the Borrower's spouse or other person who has community property rights pursuant to state law will not be used as a basis for loan qualification, but his or her liabilities must be considered because the spouse or other person has community property rights pursuant to applicable law and Borrower resides in a community property state, the security property is located in a community property state, or the Borrower is relying on other property located in a community property state as a basis for repayment of the loan.

If this is an application for joint credit, Borrower and Co-Borrower each agree that we intend to apply for joint credit (sign below):

Borrower _____ Co-Borrower _____

I. TYPE OF MORTGAGE AND TERMS OF LOAN					
Mortgage Applied for:	<input type="checkbox"/> VA	<input checked="" type="checkbox"/> Conventional	<input type="checkbox"/> Other (explain):	Agency Case Number	Lender Case Number
	<input type="checkbox"/> FHA	<input type="checkbox"/> USDA/Rural Housing Service			
Amount \$	Interest Rate %	No. of Months	Amortization Type:	<input checked="" type="checkbox"/> Fixed Rate	<input type="checkbox"/> Other (explain):
				<input type="checkbox"/> GPM	<input type="checkbox"/> ARM (type):

II. PROPERTY INFORMATION AND PURPOSE OF LOAN

Subject Property Address (street, city, state, & ZIP)	No. of Units
Legal Description of Subject Property (attach description if necessary)	Year Built

Purpose of Loan <input checked="" type="checkbox"/> Purchase <input type="checkbox"/> Construction <input type="checkbox"/> Other (explain):	Property will be:
<input type="checkbox"/> Refinance <input type="checkbox"/> Construction-Permanent	<input checked="" type="checkbox"/> Primary Residence <input type="checkbox"/> Secondary Residence <input type="checkbox"/> Investment

Complete this line if construction or construction-permanent loan.

Year Lot Acquired	Original Cost	Amount Existing Liens	(a) Present Value of Lot	(b) Cost of Improvements	Total (a+b)
	\$	\$	\$	\$	\$

Complete this line if this is a refinance loan.

Year Acquired	Original Cost	Amount Existing Liens	Purpose of Refinance	Describe Improvements	Cost: \$
	\$	\$		<input type="checkbox"/> made <input type="checkbox"/> to be made	

Title will be held in what Name(s)	Manner in which Title will be held	Estate will be held in:
Source of Down Payment, Settlement Charges and/or Subordinate Financing (explain)		<input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold(show expiration date)

III. BORROWER INFORMATION

Borrower	Co-Borrower
Borrower's Name (include Jr. or Sr. if applicable)	Co-Borrower's Name (include Jr. or Sr. if applicable)
Social Security Number	Social Security Number
Home Phone (incl. area code)	Home Phone (incl. area code)
DOB (mm/dd/yyyy)	DOB (mm/dd/yyyy)
Yrs. School	Yrs. School
<input type="checkbox"/> Married (includes registered domestic partners)	<input type="checkbox"/> Married (includes registered domestic partners)
<input type="checkbox"/> Unmarried (includes single, divorced, widowed)	<input type="checkbox"/> Unmarried (includes single, divorced, widowed)
<input type="checkbox"/> Separated	<input type="checkbox"/> Separated
Dependents (not listed by Co-Borrower)	Dependents (not listed by Borrower)
No. _____	No. _____
Ages _____	Ages _____
Present Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.	Present Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.
Mailing Address, if different from Present Address	Mailing Address, if different from Present Address

If residing at present address for less than two years, complete the following:

Former Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.	Former Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.
Former Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.	Former Address (street, city, state, ZIP) <input type="checkbox"/> Own <input type="checkbox"/> Rent _____ No. Yrs.

Borrower		IV. EMPLOYMENT INFORMATION				Co-Borrower	
Name & Address of Employer	<input type="checkbox"/> Self Employed	Yrs. on this job	Name & Address of Employer	<input type="checkbox"/> Self Employed	Yrs. on this job		
		Yrs. employed in this line of work/profession			Yrs. employed in this line of work/profession		
Position/Title/Type of Business		Business Phone (incl. area code)	Position/Title/Type of Business		Business Phone (incl. area code)		

If employed in current position for less than two years or if currently employed in more than one position, complete the following:

Name & Address of Employer	<input type="checkbox"/> Self Employed	Dates (from-to)	Name & Address of Employer	<input type="checkbox"/> Self Employed	Dates (from-to)
		Monthly Income \$			Monthly Income \$
Position/Title/Type of Business		Business Phone (incl. area code)	Position/Title/Type of Business		Business Phone (incl. area code)
Name & Address of Employer	<input type="checkbox"/> Self Employed	Dates (from-to)	Name & Address of Employer	<input type="checkbox"/> Self Employed	Dates (from-to)
		Monthly Income \$			Monthly Income \$
Position/Title/Type of Business		Business Phone (incl. area code)	Position/Title/Type of Business		Business Phone (incl. area code)
Name & Address of Employer	<input type="checkbox"/> Self Employed	Dates (from-to)	Name & Address of Employer	<input type="checkbox"/> Self Employed	Dates (from-to)
		Monthly Income \$			Monthly Income \$
Position/Title/Type of Business		Business Phone (incl. area code)	Position/Title/Type of Business		Business Phone (incl. area code)
Name & Address of Employer	<input type="checkbox"/> Self Employed	Dates (from-to)	Name & Address of Employer	<input type="checkbox"/> Self Employed	Dates (from-to)
		Monthly Income \$			Monthly Income \$
Position/Title/Type of Business		Business Phone (incl. area code)	Position/Title/Type of Business		Business Phone (incl. area code)
Name & Address of Employer	<input type="checkbox"/> Self Employed	Dates (from-to)	Name & Address of Employer	<input type="checkbox"/> Self Employed	Dates (from-to)
		Monthly Income \$			Monthly Income \$
Position/Title/Type of Business		Business Phone (incl. area code)	Position/Title/Type of Business		Business Phone (incl. area code)

V. MONTHLY INCOME AND COMBINED HOUSING EXPENSE INFORMATION

Gross Monthly Income	Borrower	Co-Borrower	Total	Combined Monthly Housing Expense	Present	Proposed
Base Empl. Income*	\$	\$	\$	Rent	\$	
Overtime				First Mortgage (P&I)		\$
Bonuses				Other Financing (P&I)		
Commissions				Hazard Insurance		
Dividends/Interest				Real Estate Taxes		
Net Rental Income				Mortgage Insurance		
Other (before completing, see the notice in "describe other income," below)				Homeowner Assn. Dues		
				Other:		
Total	\$	\$	\$	Total	\$	\$

* Self Employed Borrower(s) may be required to provide additional documentation such as tax returns and financial statements.

Describe Other Income **Notice:** Alimony, child support, or separate maintenance income need not be revealed if the Borrower (B) or Co-Borrower (C) does not choose to have it considered for repaying this loan.

B/C	Monthly Amount
	\$

VII. DETAILS OF TRANSACTION		VIII. DECLARATIONS				
a. Purchase price	\$	If you answer "Yes" to any questions a through i, please use continuation sheet for explanation. a. Are there any outstanding judgments against you? b. Have you been declared bankrupt within the past 7 years? c. Have you had property foreclosed upon or given title or deed in lieu thereof in the last 7 years? d. Are you a party to a lawsuit? e. Have you directly or indirectly been obligated on any loan which resulted in foreclosure, transfer of title in lieu of foreclosure, or judgment? <small>(This would include such loans as home mortgage loans, SBA loans, home improvement loans, educational loans, manufactured (mobile) home loans, any mortgage, financial obligation, bond, or loan guarantee. If "Yes," provide details, including date, name and address of Lender, FHA or VA case number, if any, and reasons for the action.)</small> f. Are you presently delinquent or in default on any Federal debt or any other loan, mortgage, financial obligation, bond, or loan guarantee? <small>If "Yes," give details as described in the preceding question.</small> g. Are you obligated to pay alimony, child support, or separate maintenance? h. Is any part of the down payment borrowed? i. Are you a co-maker or endorser on a note? ----- j. Are you a U. S. citizen? k. Are you a permanent resident alien? l. Do you intend to occupy the property as your primary residence? <small>If "Yes," complete question m below.</small> m. Have you had an ownership interest in a property in the last three years? (1) What type of property did you own-principal residence (PR), second home (SH), or investment property (IP)? _____ (2) How did you hold title to the home-solely by yourself (S), jointly with your spouse (SP), or jointly with another person (O)? _____	Borrower		Co-Borrower	
b. Alterations, improvements, repairs			Yes	No	Yes	No
c. Land (if acquired separately)			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Refinance (incl. debts to be paid off)			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Estimated prepaid items			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Estimated closing costs			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. PMI, MIP, Funding Fee			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h. Discount (if Borrower will pay)			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i. Total costs (add items a through h)			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j. Subordinate financing			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k. Borrower's closing costs paid by Seller			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
l. Other Credits (explain)			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
m. Loan amount (exclude PMI, MIP, Funding Fee financed)			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
n. PMI, MIP, Funding Fee financed			<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
o. Loan amount (add m & n)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	
p. Cash from/to Borrower (subtract j, k, l & o from i)		<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	

IX. ACKNOWLEDGEMENT AND AGREEMENT

Each of the undersigned specifically represents to Lender and to Lender's actual or potential agents, brokers, processors, attorneys, insurers, servicers, successors and assigns and agrees and acknowledges that: (1) the information provided in this application is true and correct as of the date set forth opposite my signature and that any intentional or negligent misrepresentation of this information contained in this application may result in civil liability, including monetary damages, to any person who may suffer any loss due to reliance upon any misrepresentation that I have made on this application, and/or in criminal penalties including, but not limited to, fine or imprisonment or both under the provisions of Title 18, United States Code, Sec. 1001, et seq.; (2) the loan requested pursuant to this application (the "Loan") will be secured by a mortgage or deed of trust on the property described in this application; (3) the property will not be used for any illegal or prohibited purpose or use; (4) all statements made in this application are made for the purpose of obtaining a residential mortgage loan; (5) the property will be occupied as indicated in this application; (6) the Lender, its servicers, successors or assigns may retain the original and/or an electronic record of this application, whether or not the loan is approved; (7) the Lender and its agents, brokers, insurers, servicers, successors and assigns may continuously rely on the information contained in the application, and I am obligated to amend and/or supplement the information provided in this application if any of the material facts that I have represented herein should change prior to closing of the Loan; (8) in the event that my payments on the Loan become delinquent, the Lender, its servicers, successors or assigns may, in addition to any other rights and remedies that it may have relating to such delinquency, report my name and account information to one or more consumer credit reporting agencies; (9) ownership of the Loan and/or administration of the Loan account may be transferred with such notice as may be required by law; (10) neither Lender nor its agents, brokers, insurers, servicers, successors or assigns has made any representation or warranty, express or implied, to me regarding the property or the condition or value of the property; and (11) my transmission of this application as an "electronic record" containing my "electronic signature," as those terms are defined in applicable federal and/or state laws (excluding audio and video recordings), or my facsimile transmission of this application containing a facsimile of my signature, shall be as effective, enforceable and valid as if a paper version of this application were delivered containing my original written signature.

Acknowledgement. Each of the undersigned hereby acknowledges that any owner of the Loan, its servicers, successors and assigns, may verify or reverify any information contained in this application or obtain any information or data relating to the Loan, for any legitimate purpose through any source, including a source named in this application or a consumer reporting agency.

Right to Receive Copy of Appraisal I/We have the right to a copy of the appraisal report used in connection with this application for credit. To obtain a copy, I/we must send Lender a written request at the mailing address Lender has provided. Lender must hear from me/us no later than 90 days after Lender notifies me/us about the action taken on this application, or I/we withdraw this application.

Borrower's Signature X	Date	Co-Borrower's Signature X	Date
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X. INFORMATION FOR GOVERNMENT MONITORING PURPOSES

The following information is requested by the Federal Government for certain types of loans related to a dwelling in order to monitor the lender's compliance with equal credit opportunity, fair housing and home mortgage disclosure laws. You are not required to furnish this information, but are encouraged to do so. The law provides that a Lender may not discriminate either on the basis of this information, or on whether you choose to furnish it. If you furnish the information, please provide both ethnicity and race. For race, you may check more than one designation. If you do not furnish ethnicity, race, or sex, under Federal regulations, this lender is required to note the information on the basis of visual observation and surname if you have made this application in person. If you do not wish to furnish the information, please check the box below. (Lender must review the above material to assure that the disclosures satisfy all requirements to which the lender is subject under applicable state law for the particular type of loan applied for.)

BORROWER <input type="checkbox"/> I do not wish to furnish this information	CO-BORROWER <input type="checkbox"/> I do not wish to furnish this information
Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino	Ethnicity: <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Not Hispanic or Latino
Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White	Race: <input type="checkbox"/> American Indian or Alaska Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> White
Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male	Sex: <input type="checkbox"/> Female <input type="checkbox"/> Male

To be Completed by Interviewer This application was taken by: <input type="checkbox"/> Face-to-face interview <input type="checkbox"/> Mail <input type="checkbox"/> Telephone <input type="checkbox"/> Internet	Interviewer's Name (print or type) Interviewer's Signature _____ Date _____ Interviewer's Phone Number (incl. area code) _____	Name and Address of Interviewer's Employer Clayton Bank & Trust 10216 Kingston Pike Knoxville, TN 37922 (P) 865-539-2265 (F) 865-539-1892
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