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MORTGAGE

THIS MORTGAGE (“Security Instrument”) is given on _____, 2000. The mortgagor is _____ whose address is _____ Lawton, Oklahoma 73501 (“Borrower”). This Security Instrument is given to City of Lawton, which is organized and existing under the laws of State of Oklahoma, and whose address is 412 SW Lee Blvd., Lawton, Oklahoma 73501 (“Lender”). Borrower owes Lender the principal sum of _____ Dollars (U.S. \$ _____). This debt is evidenced by Borrower’s note dated the same date as this Security Instrument (“Note”), which provides for monthly payments, with full debt, if not paid earlier, due and payable on _____, 2000. This Security Instrument secures to Lender: (a) the repayment of the debt evidenced by the Note, with interest, and all renewals, extensions and modifications thereof; (b) the payment of all other sums, with interest, advanced under paragraph 8 to protect the security of this Security Instrument; and (c) the performance of Borrower’s covenants and agreements under this Security Instrument and the Note. For this purpose, Borrower does hereby mortgage, grant and convey to Lender, with power of sale, the following described property located in Comanche County, Oklahoma:

_____ Which has the address of: _____, Lawton, Oklahoma 73501.

TOGETHER WITH all the improvements now or hereafter erected on the property, and all easements, rights, appurtenances, rents, royalties, mineral, oil and gas rights and profits, water rights and stock and all fixtures now or hereafter a part of the property. All replacements and additions shall also be covered by this Security Instrument. All of the foregoing is referred to in this Security Instrument as the “Property.”

BORROWER COVENANTS that Borrower is lawfully seized of the estate hereby conveyed and has the right to mortgage, grant and convey the Property and that the Property is unencumbered. Borrower warrants and will defend generally the title to the Property against all claims and demands, subject to any encumbrances of record.

THIS SECURITY INSTRUMENT combines uniform covenants for national use and non-uniform covenants with limited variations by jurisdiction to constitute a uniform security instrument covering real property.

UNIFORM COVENANTS. Borrower and Lender covenant and agree as follows:

1. Payment of Principal and Interest; Prepayment and Late Charges. Borrower shall promptly pay when due the principal of and interest on the debt evidenced by the Note and any prepayment and late charges due under the Note.

2. Application of Payments. Unless applicable law provides otherwise, all payments received by Lender under paragraph 1 shall be applied: first, to late charges due under the Note; second to prepayment charges due under the Note; third, to interest due; and last, to principal due.

3. Charges; Liens.

A. Borrower shall pay all taxes, assessments, charges, fines and impositions attributable to the Property which may attain priority over this Security Instrument, and leasehold payments or ground rents, if any. Borrower shall pay these obligations in the manner provided in paragraph 2, or if not paid in that manner, Borrower shall pay them on time directly to the person owed payment. Borrower shall furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments.

B. Borrower shall promptly discharge any lien which has priority over this Security Instrument unless Borrower: (a) agrees in writing to the payment of the obligations secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Security Instrument. If Lender determines that any part of the Property is subject to a lien which may attain priority over this Security Instrument, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

4. Hazard Insurance.

A. Borrower shall keep the improvements now existing or hereafter erected on the Property insured against loss by fire, hazards included within the term "extended coverage" and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by the Borrower subject to Lender's approval which shall not be unreasonably withheld.

B. All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of

paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower.

C. Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to restoration or repair of the Property damage, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days of a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not then due. The 30-day period will begin when the notice is given.

D. Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraph 1 or change the amount of the payments. If under paragraph 19 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Security Instrument immediately prior to the acquisition.

5. Real Estate Taxes. Borrower shall pay and maintain current payments on all real estate taxes which are assessed or assessable on the property which is the subject of this Mortgage.

6. Preservation and Maintenance of Property; Leaseholds. Borrower shall not destroy, damage or substantially change the Property, allow the Property to deteriorate or commit waste. If this Security Instrument is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.

7. Protection of Lender's Rights in the Property; Mortgage Insurance.

A. If Borrower fails to perform the covenants and agreements contained in this Security Instrument, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the actions may include paying any sums secured by a lien which has priority over this Security Instrument, appearing in court, paying reasonable attorney's fees and entering on the Property to make repairs. Although Lender may take action under this paragraph 7, Lender does not have to do so.

B. Any amounts disbursed by Lender under this paragraph 7 shall become additional debt of Borrower secured by this Security Instrument. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, upon notice from Lender to Borrower requesting payment.

C. If Lender required mortgage insurance as a condition of making the loan secured by this Security Instrument, Borrower shall pay the premiums required to maintain the insurance in effect until such time as the requirement for the insurance terminates in accordance with Borrower's and Lender's written agreement or applicable law.

8. Inspection. Lender or its agent may make reasonable entries upon and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.

9. Condemnation.

A. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender.

B. In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Security Instrument, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Security Instrument shall be reduced by the amount of the proceeds multiplied by the following fraction: (a) the total amount of the sums secured immediately before the taking, divided by (b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower.

C. If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to restoration or repair of the Property or to the sums secured by this Security Instrument, whether or not then due.

D. Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the monthly payments referred to in paragraphs 1 and 2 or change the amount of such payments.

10. Successors and Assigns Bound; Joint and Several Liability; Co-signers. The covenants and agreements of this Security Instrument shall bind and benefit the

successors and assigns of Lender and Borrower, subject to the provisions of paragraph 18. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Security Instrument but does not execute the Note: (a) is co-signing this Security Instrument only to mortgage, grant and convey that Borrower's interest in the Property under the terms of this Security Instrument; (b) is not personally obligated to pay the sums secured by this Security Instrument; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear, or make any accommodations with regard to the terms of this Security Instrument or the Note without that Borrower's consent.

11. Legislation Affecting Lender's Rights. If enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Security Instrument unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Security Instrument.

12. Notices. Any notice to Borrower provided for in this Security Instrument shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Security Instrument shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.

13. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that an provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

14. Governing Law; Severability. This Security Instrument shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event that an provision or clause of this Security Instrument or the Note conflicts with applicable law, such conflict shall not affect other provisions of this Security Instrument or the Note which can be given effect without the conflicting provision. To this end the provisions of this Security Instrument and the Note are declared to be severable.

15. Waiver of Appraisalment. Appraisalment of the Property is waived or not waived at Lender's option, which shall be exercised before or at the time judgment is entered in any foreclosure.

16. Lender in Possession. Upon acceleration under paragraph 19 or abandonment of the Property, Lender (by judicially appointed receiver) shall be entitled to enter upon, take possession of and manage the Property and collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied

first to payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds and reasonable attorney's fees, and then to the sums secured by this Security Instrument.

17. Release. Upon payment of all sums secured by this Security Instrument, Lender shall release this Security Instrument without charge to Borrower. Borrower shall pay any recordation costs unless applicable law provides otherwise.

NON-UNIFORM COVENANTS. Borrower and Lender further covenant and agree as follows:

18. In addition to the foregoing terms and conditions, Borrower covenant and agree to abide by the following terms and conditions:

A. Borrower agrees to and must occupy the home rehabilitated and repaired hereunder for a period of 1 years or the length of the loan whichever is greater, of the date of the substantial completion of the repair work performed hereunder.

B. If the Borrower consist of husband and wife and one Borrower dies, the surviving Borrower must reside in the Property for a period of 1 years or the length of the loan whichever is greater, of the date of the substantial completion of the repair work performed hereunder.

C. If the Borrower is a single person and is ordered by a duly licensed physician to be admitted to a nursing home, rest home, hospital or must be cared for by other persons away from the Property for more than thirty (30) days, the Property may be rented to other persons only during the term of residency at such nursing home, rest home, hospital or private care, and must return and reside in the Property after discharge from said nursing home, rest home, hospital, or private care. Renting the Property under the conditions herein above described shall not constitute a cause for mortgage foreclosure.

D. If the Property or any part thereof shall be sold, transferred, rented, or assigned, or if a contract should be executed for the sale, transfer, rental, or assignment of Property or any part thereof, during the length of the Note, from the date of this Security Instrument, then the entire amount due under this Security Instrument shall become immediately due and payable to the Lender, its successors or assigns.

E. If the Property is not sold, transferred, rented, or assigned, or if a contract is not executed for the sale, transfer, or assignment of the Property, or any part thereof, during the length of the Note, from the date of this Security Instrument shall be automatically discharged and terminated.

F. Further, Borrower shall not, during the length of the Note, from the date of this Security Instrument, permit any lien or security interest to attach upon the Property, except those liens or security interests which are noted herein after under

SPECIAL CONDITIONS. If the Borrower permits any lien or security interest to attach upon the Property, then the entire amount due under this Security Instrument shall become immediately due and payable to Lender.

G. No interest shall accrue on any sum of money mentioned herein, except that any sum of money not paid when in accordance with paragraphs 18D, 18E, 18F, and 18I shall bear interest at the rate of three percent (3%) per annum. Acquisition of the rehabilitated improvements or all of the property described herein by the exercise of the power of eminent domain shall be considered and treated as a sale of the Property.

H. If the borrower consists of only one person, and Borrower has not contracted to sell, transfer, rent, or assign or has not sold, transferred, rented, or assigned the Property or any part thereof, then upon the death of the Borrower this Security Instrument shall become due and payable. Provided, further, that if the Borrower consist of two persons, and neither of said persons has contracted to sell, transfer, rent, or assign and has not sold, transferred, rented, or assigned the Property or any part thereof, then upon the death of both said Borrowers, this Security Instrument shall be automatically discharged and terminated.

I. If one or both Borrowers are members of the United States Armed Forces (military) and both Borrowers move out of the Property for whatever cause, reason, or purpose, notwithstanding the provisions of the Soldiers' and Sailors' Relief Act, then the amount due on this mortgage, plus interest at the rate of three percent (3%) per annum shall be immediately due and paid to the Lender, and shall constitute a cause for mortgage foreclosure.

19. Borrower agrees that any foreclosure upon or of the Property by any prior or subsequent mortgage to this Security Interests shall constitute a transfer or sale of the Property, and Lender shall have the right to foreclosure on the Property, and that such foreclosure shall entitle the Lender to recover the principal of this Security Interest as specified in paragraph 1, above, plus interest at the rate of three percent (3%) per annum.

20. Foreclosure Procedure. Should legal action be required to enforce this Security Instrument or to foreclosure said Security Instrument, Borrower further agrees that the legal procedure to be followed shall be the same procedure as that required for the foreclosure of real estate mortgages under Oklahoma laws. Said Borrower further expressly agrees that in the event legal action is taken in attempting to collect the amount of money supplied for the rehabilitation work on the Property or for the foreclosure of this Security Instrument, and as after as any such proceedings shall be taken, Borrower will pay to Lender a reasonable attorney's fee in addition to all other statutory fees, said fee to be due and payable upon the filing of a legal action and the same shall be further charge upon the Property, and the amount thereof shall be recovered and said suit and included in any judgment or decree rendered in any action as aforesaid, and collect, and the Security Interest thereof enforced in the manner as other mortgages hereby secured.

The foregoing instrument was acknowledged before me this _____ day of _____, 20____ by _____
(person acknowledging)

Notary Public

My Commission expires:_____.

Housing Specialist_____