


 **Bob**
Farley

The Law of Property - Business Law 421 / 521

Transfers of Real Property

Conveyance Exercise:

Who Wants To Be A Home Owner



Royal Charter

To these presents shall be awarded to

a faithful servant of the Crown and all of England,

all rights and titles to those lands

in the colony of New York, as follows:

West of the River Hudson, North of the River Mohawk, South of the Mountains Adirondack, and East of the Lands of the Lord of Amster,

for all legal and productive purposes, residential and commercial, including settlement, farming, ranching and all other pursuits recognized by the laws of England and our Lord God Almighty.

Decreed this 16th day of April, 1602

A handwritten signature in cursive script, reading "Elizabeth" followed by a decorative flourish.

Elizabeth, Queen of England, Princess of Wales and Defender of the Faith

THIS AGREEMENT is effective _____, 200____, and confirms that _____ has (have) appointed _____ to act as Agent for the sale of property known as _____, New York.

In return for the Agent's agreement to use Agent's best efforts to sell the above property, the Owner(s) agree(s) to grant the Agent an exclusive agency to sell this property under the following terms and conditions:

PERIOD OF AGREEMENT

1. This agreement shall be effective from the above date and shall expire at midnight on _____, 200____.

PRICE AT WHICH PROPERTY WILL BE OFFERED AND AUTHORITY

2. The property will be offered for sale at a list price of _____ and shall be sold, subject to negotiation, at such price and upon such terms to which Owner(s) may agree. The word Owner refers to each and ALL parties who have ownership interest in the property and the undersigned represent(s) they are the sole and exclusive owners and are fully authorized to enter into this agreement.

COMMISSION TO BE PAID TO AGENT

3. The Agent shall be entitled to and Owner shall pay to Agent one commission of _____ of the selling price. Both the Owner(s) and the Agent acknowledge that the above commission rate was not suggested nor influenced by anyone other than the parties to this Agreement. Owner(s) hereby authorizes Agent to make an offer of cooperation to any other licensed real estate broker with whom Agent wishes to cooperate. Any commission due for a sale brought about by a Sub-Agent (another broker who is authorized by Agent to assist in the sale of Owner(s) property) or to an authorized Buyer(s) Agent shall be paid by the Agent from the commission received by the Agent pursuant to this Paragraph.

The commission offered by Agent to Sub-Agents shall be _____ of the gross selling price. The commission offered by Agent to Buyer(s) Agents shall be _____ of the gross selling price.

In the event that Owner(s) authorizes Agent to compensate a Buyer(s) Agent, Owner(s) acknowledges Owner(s)' understanding that such Buyer's Agent is not representing Owner(s) as Sub-Agent and that the Buyer's Agent will be representing only the interests of the prospective purchaser.

Owner(s) will not be obligated to pay a commission to Agent if Owner(s) sells Owners'(s)' property without the efforts of either Agent, any Sub-Agent or a Buyer's Agent whose services have been authorized by Agent.

OWNER(S) OBLIGATIONS AFTER THE EXPIRATION OF THIS AGREEMENT

4. Owner(s) understands and agrees to pay the commission referred to in paragraph 3, if this property is sold or transferred or is the subject of a contract of sale within ___ months after the expiration date of this agreement involving a person with whom the Agent or a Cooperating Broker negotiated or to whom the property was offered, quoted or shown by Agent or any Cooperating Broker during the period of this listing agreement. Owner(s) will not, however, be obligated to pay such commission if Owner(s) enters into a valid Exclusive Listing Agreement with another New York State licensed real estate broker after the expiration of this agreement.

WHO MAY NEGOTIATE FOR OWNER(S)

5. Owner(s) elect(s) to have all offers submitted through Agent ___ or Cooperating Agent ___.

SUBMISSION OF LISTING TO MULTIPLE LISTING SERVICE

6. Both Owner(s) and Agent agree that the Agent immediately is to submit this listing agreement to the Westchester-Putnam Multiple Listing Service, Inc. ("W-PMLS"), for dissemination to its Participants. No provision of this agreement is intended to nor shall be understood to establish or imply any contractual relationship between the Owner(s) and W-PMLS nor has W-PMLS in any way participated in any of the terms of this agreement, including the commission to be paid. Owner(s) acknowledge(s) that the Agent's ability to submit this listing to W-PMLS, or to maintain such listing amongst those included in any compilation of listing information published by W-PMLS, is subject to Agent's continued status as a Participant in good standing of W-PMLS.

Data including photographs and sketches relating to Owner's property will be aggregated with that of other properties listed by Participants of W-PMLS, and will become the copyrighted data of W-PMLS. Owner and Listing Agent hereby assign to W-PMLS all rights of ownership and copyright to such data, for dissemination to its Participants and others as W-PMLS may elect pursuant to its copyrights.

FAIR HOUSING

7. Agent and Owner agree to comply fully with local, state and federal fair housing laws against discrimination on the basis of race, color, religion, sex, national origin, handicap, age, marital status and/or familial status, children or other prohibited factors.

OTHER SERVICES

8. Owner acknowledges that Agent has fully explained to Owner(s) the services and marketing activities which Agent has agreed to provide.

REQUIREMENTS FOR PUBLICATION IN W-PMLS COMPILATION

9. This listing agreement is not acceptable for publication by W-PMLS unless and until the Owner(s) has duly signed this agreement and an acknowledgment reflecting receipt of the definitions of "Exclusive Right to Sell" and "Exclusive Agency" required by the New York State Department of State - Division of Licensing Services. The Authorization by Owner to publish this listing in the W-PMLS compilation also includes the right of Agent to advertise the listing information, in any medium or media including electronic formats and including but not limited to, the Internet.

RENTAL OF PROPERTY

10. Should the Owner(s) desire to rent the property during the period of this agreement, Agent is hereby granted the sole and exclusive agency to rent the property, exclusive "FOR RENT" sign privilege and the Owner(s) agrees to pay Agent a rental commission of _____. The applicable commission for the lease term is due and will be paid _____ upon the execution of the lease _____ upon the date of occupancy. The commission for each and any subsequent renewal thereof, is due and will be paid upon the commencement of each renewal term.

COMMISSION PAYMENT

11. [a] Escrow. If, for any reason, Agent is not paid the compensation set forth herein on the due date, Owner shall establish an escrow account with a party mutually agreeable to Agent and Owner or a title insurance agent or company, and shall place into said escrow account an amount equal to the compensation set forth herein. The escrow monies shall be paid by Owner to said escrow agent and shall be held in escrow until the parties' rights to the escrow monies have been determined (i) by the written agreement of the parties; (ii) pursuant to an arbitration award; (iii) by order of a court of competent jurisdiction; or (iv) some other process to which the parties agree to in writing.

[b] Attorneys Fees. In any action, proceeding or arbitration to enforce any provision of this Agreement, or for damages caused by default, the prevailing party shall be entitled to reasonable attorney's fees, costs and related expenses, such as expert witness fees and fees paid to investigators. In the event Agent hires an attorney to enforce the collection of any brokerage commission due hereunder and is successful in collecting all or any portion thereof with or without commencing a legal action or proceeding, Owner agrees to pay the reasonable attorney's fees, costs and related expenses incurred by Agent.

[c] Arbitration. All claims, disputes or other matters in question between Agent (or any cooperating subagent or buyer's agent) and Owner, arising out

of or relating to this Agreement shall be determined by arbitration before the American Arbitration Association in New York, New York, pursuant to its Commercial Arbitration Rules. The award rendered by the arbitrator shall be final, and judgment may be entered upon it in accordance with applicable law in any court of competent jurisdiction.

TERMINATION

12. Owner(s) understands that if Owner(s) terminates the Agent's authority prior to the expiration of its term, Agent shall retain its contract rights (including but not limited to recovery of its commission, advertising expenses and/or any other damages) incurred by reason of an early termination of this agreement.

ADDITIONAL POINTS

13. Additional Points of Agreement, if any: _____

IN-HOUSE SALES

14. If the Broker has an agency relationship with the buyer ["buyer's broker"], and that buyer expresses interest in property owned by a seller who also has an agency relationship with the Broker ["seller's broker"], a conflict has arisen.

The Broker shall immediately advise both the buyer client and the seller client of the pertinent facts including the fact that a dual agency situation has arisen, and that the following options are available:

[a] **The Broker and buyer could dissolve their Agency relationship.** The buyer may then seek to retain another broker, and/or an attorney, or may represent (her)himself. This would release the buyer from any Broker employment contract which was entered into with the Broker. Broker may continue to act as agent for the seller.

[b] **The Broker and the seller could dissolve their Agency relationship.** The seller may then seek to retain another broker, and/or an attorney, or may represent (her)himself. This would release the seller from any listing agreement which was entered into with Broker. The Broker may continue to act as Agent for the buyer.

[c] **With fully informed consent, the buyer and seller may elect to continue with the brokerage firm serving as a consensual dual agent, which is the exception to the general rule that agents serve one principal.** As a dual agent, the firm and its licensee agents have a duty of fairness to both principals. By mutual agreement the buyer and seller may identify who will negotiate for each principal. For example: [a] the licensee who signed the buyer as a principal of the brokerage firm may negotiate on behalf of the buyer principal and [b] the licensee who signed the seller as a principal of the firm may negotiate on behalf of the seller principal.

In either case, the brokerage commission will be paid by the seller in accordance with the listing agreement with the seller, unless different arrangements have been negotiated.

As a dual agent, the firm and its agents cannot furnish undivided loyalty to either party.

As a dual agent, the firm and its licensee agents have a duty not to disclose confidential information given by one principal to the other principal, such as the price one is willing to pay or accept. Such information may already be known to the firm and its agents. If the information is of such a nature that the agent cannot fairly give advice without disclosing it, the agent cannot properly continue to act as an agent.

The buyer, seller and broker shall memorialize the option of their mutual choice by executing a statutory disclosure notice. If there is no mutual agreement, the proposed transaction between buyer and seller shall not be pursued.

ALL MODIFICATIONS TO BE MADE IN WRITING

15. Owner(s) and Agent Agree that no change, amendment, modification or termination of this Agreement shall be binding on any party unless the same shall be in writing and signed by the parties.

_____	(DATE)	_____	(AGENT)
(OWNER)		By: _____	(DATE)
_____	(DATE)	(Authorized Representative)	
(OWNER)			
Owner's Mailing Address: _____		Agent's Address: _____	
Owner's Telephone: _____		Agent's Telephone: _____	

DEFINITIONS

In accordance with the requirements of the New York State Department of State the undersigned Owner(s) does (do) hereby acknowledge receipt of the following:

1. Explanation of "Exclusive Right to Sell" listing;
2. Explanation of "Exclusive Agency" listing

EXPLANATION OF EXCLUSIVE RIGHT TO SELL: (As worded verbatim by the Department of State)

An "exclusive right to sell" listing means that if you, the owner of the property find a buyer for your house, or if another broker finds a buyer, you must pay the agreed commission to the present broker.

EXPLANATION OF EXCLUSIVE AGENCY: (As worded verbatim by the Department of State)

An "exclusive agency" listing means that if you, the owner of the property find a buyer, you will not have to pay a commission to the broker. However, if another broker finds a buyer, you will owe a commission to both the selling broker and your present broker.

"THE FAIR HOUSING ACT"

The Civil Rights Act of 1968 known as the Federal Fair Housing Law makes illegal any discrimination based on race, color, religion, sex or national origin in connection with the sale or rental of housing. The 1988 amendment to this Act (The Fair Housing Amendments Act of 1988) expands the coverage of this law to handicapped persons and families with children. Agent and Owner agree to comply fully with State and local statutes and Federal Fair Housing laws.

Article 10 of the REALTOR Code of Ethics states:

"REALTORS shall not deny equal professional services to any person for reasons of race, color, religion, sex, handicap, familial status, or national origin. REALTORS shall not be parties to any plan or agreement to discriminate against a person or persons on the basis of race, color, religion, sex, handicap, familial status, or national origin."

_____	Owner
_____	Owner



New York State
DEPARTMENT OF STATE
Division of Licensing Services
P.O. Box 22001
Albany, NY 12201-2001

Customer Service: (518) 474-4429
Fax: (518) 473-6648
Web site: www.dos.state.ny.us

New York State Disclosure Form for Buyer and Seller

THIS IS NOT A CONTRACT

New York State law requires real estate licensees who are acting as agents of buyers and sellers of property to advise the potential buyers and sellers with whom they work of the nature of their agency relationship and the rights and obligations it creates. This disclosure will help you to make informed choices about your relationship with the real estate broker and its sales associates.

Throughout the transaction you may receive more than one disclosure form. The law requires each agent assisting in the transaction to present you with this disclosure form. A real estate agent is a person qualified to advise about real estate.

If you need legal, tax or other advice, consult with a professional in that field.

Disclosure Regarding Real Estate Agency Relationships

Seller's Agent

A seller's agent is an agent who is engaged by a seller to represent the seller's interest. The seller's agent does this by securing a buyer for the seller's home at a price and on terms acceptable to the seller. A seller's agent has, without limitation, the following fiduciary duties to the seller: reasonable care, undivided loyalty, confidentiality, full disclosure, obedience and duty to account. A seller's agent does not represent the interests of the buyer. The obligations of a seller's agent are also subject to any specific provisions set forth in an agreement between the agent and the seller. In dealings with the buyer, a seller's agent should (a) exercise reasonable skill and care in performance of the agent's duties; (b) deal honestly, fairly and in good faith; and (c) disclose all facts known to the agent materially affecting the value or desirability of property, except as otherwise provided by law.

Buyer's Agent

A buyer's agent is an agent who is engaged by a buyer to represent the buyer's interest. The buyer's agent does this

by negotiating the purchase of a home at a price and on terms acceptable to the buyer. A buyer's agent has, without limitation, the following fiduciary duties to the buyer: reasonable care, undivided loyalty, confidentiality, full disclosure, obedience and duty to account. A buyer's agent does not represent the interest of the seller. The obligations of a buyer's agent are also subject to any specific provisions set forth in an agreement between the agent and the buyer. In dealings with the seller, a buyer's agent should (a) exercise reasonable skill and care in performance of the agent's duties; (b) deal honestly, fairly and in good faith; and (c) disclose all facts known to the agent materially affecting the buyer's ability and/or willingness to perform a contract to acquire seller's property that are not inconsistent with the agent's fiduciary duties to the buyer.

Broker's Agents

A broker's agent is an agent that cooperates or is engaged by a listing agent or a buyer's agent (but does not work for the same firm as the listing agent or buyer's agent) to assist the listing agent or buyer's agent in locating a property to sell or buy, respectively, for the listing agent's seller or the buyer agent's buyer. The broker's agent does not have a direct relationship with the buyer or seller and the buyer or seller can not provide instructions or direction directly to the broker's agent. The buyer and the seller therefore do not have vicarious liability for the acts of the broker's agent. The listing agent or buyer's agent do provide direction and instruction to the broker's agent and therefore the listing agent or buyer's agent will have liability for the acts of the broker's agent.

Dual Agent

A real estate broker may represent both the buyer and seller if both the buyer and seller give their informed consent in writing. In such a dual agency situation, the agent will not be able to provide the full range of fiduciary duties to the buyer and seller. The obligations of an agent are also subject to any specific provisions set forth in an agreement between

the agent, and the buyer and seller. An agent acting as a dual agent must explain carefully to both the buyer and seller that the agent is acting for the other party as well. The agent should also explain the possible effects of dual representation, including that by consenting to the dual agency relationship the buyer and seller are giving up their right to undivided loyalty. A buyer or seller should carefully consider the possible consequences of a dual agency relationship before agreeing to such representation.

Dual Agent with Designated Sales Agents

If the buyer and seller provide their informed consent in writing, the principals and the real estate broker who represents both parties as a dual agent may designate a sales agent to represent the buyer and another sales agent to represent the seller to negotiate the purchase and sale of real

estate. A sales agent works under the supervision of the real estate broker. With the informed consent of the buyer and the seller in writing, the designated sales agent for the buyer will function as the buyer’s agent representing the interests of and advocating on behalf of the buyer and the designated sales agent for the seller will function as the seller’s agent representing the interests of and advocating on behalf of the seller in the negotiations between the buyer and seller. A designated sales agent cannot provide the full range of fiduciary duties to the buyer or seller. The designated sales agent must explain that like the dual agent under whose supervision they function, they cannot provide undivided loyalty. A buyer or seller should carefully consider the possible consequences of a dual agency relationship with designated sales agents before agreeing to such representation.

This form was provided to me by _____ (print name of licensee) of _____ (print name of company, firm or brokerage), a licensed real estate broker acting in the interest of the:

- Seller as a (check relationship below)
- Seller’s agent
- Broker’s agent
- Buyer as a (check relationship below)
- Buyer’s agent
- Broker’s agent
- Dual agent
- Dual agent with designated sales agent

If dual agent with designated sales agents is checked: _____ is appointed to represent the buyer; and _____ is appointed to represent the seller in this transaction.

I/We _____ acknowledge receipt of a copy of this disclosure form: signature of { } Buyer(s) and/or { } Seller(s):

Date: _____

Date: _____

CONTRACT FOR PURCHASE AND SALE OF RESIDENTIAL REAL ESTATE

THIS IS A LEGALLY-BINDING CONTRACT. IF NOT FULLY UNDERSTOOD. WE RECOMMEND ALL PARTIES TO THE CONTRACT CONSULT AN ATTORNEY BEFORE SIGNING

1. IDENTIFICATION OF PARTIES TO THE CONTRACT

A. SELLER - The Seller is: _____
residing at _____
(the word "Seller" refers to each and all parties who have an ownership interest in the property).

B. PURCHASER - The Purchaser is - _____
residing at _____
(the word "Purchaser" refers to each and all of those who sign below as Purchaser)

2. PROPERTY TO BE SOLD

The property and improvements which the Seller is agreeing to sell and which the Purchaser is agreeing to purchase is known as _____ located in the city, village or town of _____ in _____ County, State of New York. This property includes all the Seller's rights and privileges, if any, to all land, water, streets and roads annexed to, and on all sides of the property. The lot size of the property is approximately _____.

3. ITEMS INCLUDED IN SALE

Awnings	Heating/Central Air	Storm & Screen Doors
Built-in Appliances and Cabinets	Lighting Fixtures & Paddle Fans	Storm Windows & Screens
Built-in Closet Systems	Plumbing Fixtures	Smoke & Carbon Monoxide Detectors
Drapery & Curtain Rods	Pumps	Television Aerials & Satellite Dishes
Electric Garage Door Opener(s) & Remote(s)	Security & Alarm System(s)	Wall-to-Wall Carpeting, as placed
Fencing	Shades and Blinds	Water Filters & Treatment Systems
Fireplace Insert, Door and/or Screen	Shrubs, Trees, Plants	

The items listed above, if now in or on said premises, and owned by the Seller free from all liens and encumbrances, are included in the sale "as is", on the date of this offer, together with the following items: _____

4. ITEMS EXCLUDED FROM SALE

The following items are excluded from the sale: _____

5. PURCHASE PRICE

The purchase price is _____. The Purchaser shall pay the purchase price as follows:

- A. \$ _____ deposit with this contract and held pursuant to paragraph 16 herein.
- B. \$ _____ additional deposit on _____
- C. \$ _____ in cash, certified check, bank draft or attorney escrow account check at closing.
- D. \$ _____

6. MORTGAGE CONTINGENCY

A. This Agreement is contingent upon Purchaser obtaining approval of a ___ Convention ___ FHA or ___ VA (if FHA or VA, see attached required addendum) or _____ mortgage loan of _____ for a term of not more than _____ years at an _____ initial ___ fixed or ___ adjustable nominal interest rate not to exceed _____. Purchaser agrees to use diligent efforts to obtain said approval and shall apply for the mortgage loan within _____ business days after the Seller has accepted this contract. Purchaser agrees to apply for such mortgage loan to at least one lending institution or licensed mortgage broker. Upon receipt of a written mortgage commitment or in the event Purchaser chooses to waive this mortgage contingency, Purchaser shall provide notice in writing to _____ of Purchaser's receipt of the mortgage commitment or of Purchaser's waiving of this contingency. Upon receipt of such notice this contingency shall be deemed waived or satisfied as the case may be. In the event notice as called for in the preceding sentence has not been received on or before _____, then either Purchaser or Seller may **within five business days of such date** terminate, or the parties may mutually agree to extend, this contract by written notice by the Purchaser, proof of Purchaser's inability to obtain said mortgage approval, this agreement shall be cancelled, null and void and all deposits made hereunder shall be returned to the Purchaser.

B. Seller's Contribution. At closing, as a credit toward prepaids, closing costs and/or points, Seller shall credit to Purchaser \$ _____ or _____ % of the ___ Purchase Price or ___ Mortgage amount.

7. MORTGAGE EXPENSE AND RECORDING FEES

The Mortgage Recording Tax imposed on the mortgagor, mortgage and deed recording fees, expenses of drawing papers and any other expenses to be incurred in connection with procuring a mortgage, shall be paid by the Purchaser.

8. OTHER TERMS (if any) _____

9. TITLE AND SURVEY

A _____ 40-year abstract of title, tax search and any continuations thereof, or a _____ fee title insurance policy, shall be obtained at the expense of _____ Purchaser or _____ Seller. (If both boxes are checked, the option of whether an Abstract of Title or fee policy is provided shall be that of the party paying for the same). The Seller shall cooperate in providing any available survey, abstract of title or title insurance policy information, without costs to Purchaser. The Purchaser shall pay the cost of updating any such survey or the cost of a new survey.

10. CONDITIONS AFFECTING TITLE

The Seller shall convey and the Purchaser shall accept the property subject to all covenants, conditions, restrictions and easements of record and environmental protection laws so long as the property is not in violation thereof and any of the foregoing does not prevent the intended use of the property for the purpose of _____; also subject to any tenancies, any unpaid installments of street and other improvement assessments payable after the date of the transfer of title to the property, and any state of facts which on inspection and/or accurate survey may show, provided that nothing in this paragraph renders the title to the property unmarketable.

11. DEED

The property shall be transferred from Seller to Purchaser by means of a Warranty Deed, with Lien Covenant, or _____ deed furnished by the Seller. The deed and real property transfer gains tax affidavit will be properly prepared and signed so that it will be accepted for recording by the County Clerk in the County in which the property is located. If the Seller is transferring the property as an executor, administrator, trustee, committee or conservator, the deed usual to such cases shall be accepted.

12 NEW YORK STATE TRANSFER TAX, ADDITIONAL TAX AND MORTGAGE SATISFACTION

The Seller agrees to pay the New York State the New York State Real Property Transfer Tax imposed by Section 1402 of the Tax Law and further agrees to pay the expenses of procuring and recording satisfactions of any existing mortgages. If applicable, the Purchaser shall pay the Additional Tax (a/k/a the "Mansion Tax" or "Luxury Tax") imposed by Section 1402-a of the Tax Law on transfers of \$1,000,000 or more.

13 TAX AND OTHER ADJUSTMENTS

The following, if any, shall be apportioned so that the Purchaser and Seller are assuming the expenses of the property and income from the property as of the date of transfer of title:

- a. Rents and security deposits. Seller shall assign to Purchaser all written leases and security deposits affecting the premises.
- b. Taxes, sewer, water, rents and condominium or homeowner association fees.
- c. Municipal assessment year installments except as set forth in item "10".
- d. Fuel, based upon fair market value at time of closing as confirmed by a certification provided by Seller's supplier.

14 RIGHT OF INSPECTION AND ACCESS

Purchaser and/or a representative shall be given access to the property for any tests or inspections required by the terms of this contract upon reasonable notice to the Seller or a representative. Purchaser and/or a representative shall be given the right of inspection of the property, at a reasonable hour, within 48 hours prior to transfer of title.

15. TRANSFER OF TITLE/POSSESSION

'The transfer of title to the property from Seller to Purchaser will take place at the office of the lender's attorney if the Purchaser obtains a mortgage loan from a lending institution. Otherwise the closing will be at the office of the attorney for the Seller. The closing will be on or before _____. Possession shall be granted upon transfer of title unless otherwise mutually agreed upon in writing signed by the parties.

16. DEPOSITS

It is agreed that any deposits b y the Purchaser are to be deposited with the Seller's Attorney as part of the purchase price. If the Seller does not accept the Purchaser's offer, all deposits shall be returned to Purchaser. If the offer is accepted by the Seller, all deposits will be held in escrow by the Seller's Attorney until the contingencies and terms have been met. The Purchaser will receive credit on the total amount of the deposit toward the purchase price. If the contingencies and terms contained herein cannot be resolved, or in the event of the default of the Seller or the Purchaser, the deposits will be held by the Seller's Attorney pending a resolution of the disposition of the deposits.

17. TIME PERIOD OF OFFER

Purchaser and Seller understand and agree that unless earlier withdrawn, this offer is good until _____ a.m. ____ p.m. _____ and if not accepted by the Seller prior to that time, then this offer becomes null and void.

18. REAL ESTATE BROKER

The Purchaser and Seller agree that _____ real estate broker brought about the sale of the property. In the event that a real estate broker did bring about such sale, such real estate broker shall be paid by the Seller, pursuant to their listing agreement.

19. ATTORNEY'S APPROVAL CLAUSE

This agreement is contingent upon Seller obtaining approval of this Agreement by their attorney as to all matters contained therein. This contingency shall be deemed waived unless the parties' respective attorney on behalf of their client notifies the other party, in writing, as called for in this contract, of their disapproval of the Agreement no later than _____. If Seller's attorney so notifies, then this Agreement shall be deemed canceled, null and void, and all deposits shall be returned to the Purchaser.

20. CONDITIONS OF PREMISES

The buildings on the premises are sold "as is" without warranty as to condition, and the Purchaser agrees to take title to the buildings "as is" in their present condition subject to reasonable use, wear, tear and natural deterioration between the date hereof and the closing of title: except that in the case of any destruction within the meaning of the provisions of Section 5-1311 of the General Obligations Law of the State of New York entitled Uniform Vendor and Purchaser Risk Act," said section shall apply to this contract.

21. INSPECTIONS

This agreement is contingent upon all of the following provisions marked with the parties' initials. All those provisions marked with "NA" shall not apply.

Purchaser Seller Initial

_____ **STRUCTURAL INSPECTION:** A determination by a New York State licensed home inspector, registered architect or licensed engineer, or a third party who is _____, or other qualified person, that the premises are free from any substantial structural, mechanical, electrical, plumbing, roof covering, water or sewer defects. The term substantial refers to any individual repair which will reasonably cost over 1,500.00 to correct. The following buildings or items on the premises are excluded for this inspection: _____ .

_____ **WOOD DESTROYING ORGANISMS (Pest, Termite Inspection):** A determination by a Certified Examiner or other qualified professional that the premises are free from infestation or damage by wood destroying organisms.

_____ **SEPTIC SYSTEM INSPECTION:** A test of the septic system by a Licensed professional engineer, licensed plumber, septic system contractor, County Health Department, or other qualified person indicating that the system is in working order.

_____ **WELL WATER FLOW AND/OR QUALITY TESTS:** (1) A potability water quality test to meet the standards of the New York State Department of Health to be performed by a New York State approved laboratory, (2) any chemical, metal, inorganic, or other tests as Purchaser may request and (3) a flow test to be performed indicating a minimum flow of sufficient quantity to:

- (a) _____ Obtain mortgage financing on subject property; and/or
- (b) _____ to produce _____ gallons per minute _____ hours.

_____ **RADON INSPECTION:** The Purchaser may have the dwelling located on the property tested by a reputable service for the presence of radon gas. The Seller agrees to maintain a "closed house condition" during the test. "Closed house condition" shall mean that the Seller shall keep the windows closed and minimize the number of times the exterior doors are opened and the time that they are left open. The Seller agrees to comply with all reasonable requirements of the testing service in connection with the test, provided such compliance shall be at no cost to the Seller. If the test reveals that the level of radon gas is four (4) picocuries per liter or higher, the presence of radon gas shall be deemed grounds for cancellation of the contract.

All tests and/or inspections contemplated pursuant to this paragraph "21" shall be completed on or before _____ and at Purchaser's expense, and shall be deemed waived unless Purchaser shall notify _____ pursuant to paragraph "23" of this agreement no later than _____ of failure of any tests and/or inspections. If Purchaser so notifies, and further supplies written confirmation by a copy of the test results and/or inspection report(s), or letter(s) from inspector, then this entire agreement shall be deemed cancelled, null and void and all deposits made hereunder shall be returned to Purchaser or, at Purchaser's option, said cancellation may be deferred for a period of ten (10) days in order to provide the parties an opportunity to otherwise agree in writing.

22. ADDENDA AND MANDATED FORMS: The following attached addenda are a part of this Agreement.

- a. Property Condition Disclosure Statement
- b. Lead Based Paint Disclosure Statement
- c. _____
- d. _____
- e. _____
- f. _____

23. NOTICES

All notices contemplated by this agreement shall be in writing, delivered by (a) certified or registered mail, return receipt requested, postmarked no later than the required date, (b) by telecopier/facsimile transmitted by such date, or (c) by personal delivery by such date.

24. ENTIRE AGREEMENT

This contract contains all agreements of the parties hereto. There are no promises, agreements, terms, conditions, warranties, representations or statements other than contained herein. This agreement shall apply to and bind the heirs, legal representatives, successors and assigns of the respective parties. It may not be changed orally. The parties agree that the venue for any issues concerning this contract shall be the County in which the property is located.

Dated: _____ Time: _____

Dated: _____ Time: _____

Purchaser

Seller

Purchaser

Seller

The following is for informational purposes only: **PLEASE COMPLETE**

Attorney for Purchaser:

Attorney for Seller:

Name: _____

Name: _____

Phone: _____ Fax: _____

Phone: _____ Fax: _____

Purchaser's Email Address:

Seller's Email Address:

Property Tax Identification Number: _____

City, Village, Town of: _____

Mailing Address of Property: _____

County of: _____

Property Condition Disclosure Statement

Name of Seller or Sellers: _____

Property Address: _____

General Instructions:

The Property Condition Disclosure Act requires the seller of residential real property to cause this disclosure statement or a copy thereof to be delivered to a buyer or buyer's agent prior to the signing by the buyer of a binding contract of sale.

Purpose of Statement:

This is a statement of certain conditions and information concerning the property known to the seller. This Disclosure Statement is not a warranty of any kind by the seller or by any agent representing the seller in this transaction. It is not a substitute for any inspections or tests and the buyer is encouraged to obtain his or her own independent professional inspections and environmental tests and also is encouraged to check public records pertaining to the property.

A knowingly false or incomplete statement by the seller on this form may subject the seller to claims by the buyer prior to or after the transfer of title. In the event a seller fails to perform the duty prescribed in this article to deliver a Disclosure Statement prior to the signing by the buyer of a binding contract of sale, the buyer shall receive upon the transfer of title a credit of \$500 against the agreed upon purchase price of the residential real property.

"Residential real property" means real property improved by a one to four family dwelling used or occupied, or intended to be used or occupied, wholly or partly, as the home or residence of one or more persons, but shall not refer to (a) unimproved real property upon which such dwellings are to be constructed or (b) condominium units or cooperative apartments or (c) property on a homeowners' association that is not owned in fee simple by the seller.

Instructions to the Seller:

- a. Answer all questions based upon your actual knowledge.
- b. Attach additional pages with your signature if additional space is required.
- c. Complete this form yourself.
- d. If some items do not apply to your property, check "NA" (Non-applicable). If you do not know the answer check "Unkn" (Unknown).

Seller's Statement:

The seller makes the following representations to the buyer based upon the seller's actual knowledge at the time of signing this document. The seller authorizes his or her agent, if any, to provide a copy of this statement to a prospective buyer of the residential real property. The following are representations made by the seller and are not the representations of the seller's agent.

GENERAL INFORMATION

1. How long have you owned the property? _____

2. How long have you occupied the property? _____

3. What is the age of the structure or structures? _____

Note to buyer – If the structure was built before 1978 you are encouraged to investigate for the presence of lead based paint.

4. Does anybody other than yourself have a lease, easement or any other right to use or occupy any part of your property other than those stated in documents available in the public record, such as rights to use a road or path or cut trees or crops? Yes No Unkn NA

5. Does anybody else claim to own any part of your property? *If Yes, explain below* Yes No Unkn NA

Property Condition Disclosure Statement

6. Has anyone denied you access to the property or made a formal legal claim challenging your title to the property? *If Yes, explain below* Yes No Unkn NA

7. Are there any features of the property shared in common with adjoining landowners or a homeowner's association, such as walls, fences or driveways? *If Yes, describe below* Yes No Unkn NA

8. Are there any electric or gas utility surcharges for line extensions, special assessments or homeowner or other association fees that apply to the property? *If Yes, explain below* Yes No Unkn NA

9. Are there certificates of occupancy related to the property? *If No, explain below* Yes No Unkn NA

ENVIRONMENTAL

Note to Seller:

In this section, you will be asked questions regarding petroleum products and hazardous or toxic substances that you know to have been spilled, leaked or otherwise been released on the property or from the property onto any other property. Petroleum products may include, but are not limited to, gasoline, diesel fuel, home heating fuel, and lubricants. Hazardous or toxic substances are products that could pose short or long-term danger to personal health or the environment if they are not properly disposed of, applied or stored. These include, but are not limited to, fertilizers, pesticides and insecticides, paint including paint thinner, varnish remover and wood preservatives, treated wood, construction materials such as asphalt and roofing materials, antifreeze and other automotive products, batteries, cleaning solvents including septic tank cleaners, household cleaners and pool chemicals and products containing mercury and lead.

Note to Buyer:

If contamination of this property from petroleum products and/or hazardous or toxic substances is a concern to you, you are urged to consider soil and groundwater testing of this property.

10. Is any or all of the property located in a designated floodplain? *If Yes, explain below* Yes No Unkn NA

11. Is any or all of the property located in a designated wetland? *If Yes, explain below* Yes No Unkn NA

12. Is the property located in an agricultural district? *If Yes, explain below* Yes No Unkn NA

13. Was the property ever the site of a landfill? *If Yes, explain below* Yes No Unkn NA

Property Condition Disclosure Statement

14. Are there or have there ever been fuel storage tanks above or below the ground on the property? Yes No Unkn NA
- If Yes, are they currently in use? Yes No Unkn NA
 - Location(s) _____
 - Are they leaking or have they ever leaked? *If Yes, explain below* Yes No Unkn NA

15. Is there asbestos in the structure? *If Yes, state location or locations below* Yes No Unkn NA

16. Is lead plumbing present? *If Yes, state location or locations below* Yes No Unkn NA

17. Has a radon test been done? *If Yes, attach a copy of the report* Yes No Unkn NA
18. Has motor fuel, motor oil, home heating fuel, lubricating oil or any other petroleum product, methane gas, or any hazardous or toxic substance spilled, leaked or otherwise been released on the property or from the property onto any other property? *If Yes, describe below* Yes No Unkn NA

19. Has the property been tested for the presence of motor fuel, motor oil, home heating fuel, lubricating oil, or any other petroleum product, methane gas, or any hazardous or toxic substance? *If Yes, attach report(s)* Yes No Unkn NA

STRUCTURAL

20. Is there any rot or water damage to the structure or structures? *If Yes, explain below* Yes No Unkn NA

21. Is there any fire or smoke damage to the structure or structures? *If Yes, explain below* Yes No Unkn NA

22. Is there any termite, insect, rodent or pest infestation or damage? *If Yes, explain below* Yes No Unkn NA

23. Has the property been tested for termite, insect, rodent or pest infestation or damage? Yes No Unkn NA
If Yes, please attach report(s)
24. What is the type of roof/roof covering (slate, asphalt, other)? _____
- Any known material defects? _____
 - How old is the roof? _____

Property Condition Disclosure Statement

- Is there a transferable warrantee on the roof in effect now? *If Yes, explain below* Yes No Unkn NA

25. Are there any know material defects in any of the following structural systems: footings, beams, girders, lintels, columns or partitions? *If Yes, explain below* Yes No Unkn NA

MECHANICAL SYSTEMS AND SERVICES

26. What is the water source? (*Circle all that apply*) well, private, municipal, other: _____

- If municipal, is it metered? Yes No Unkn NA

27. Has the water quality and/or flow rate been tested? *If Yes, describe below* Yes No Unkn NA

28. What is the type of sewage system? (*Circle all that apply*) public sewer, private sewer, septic, cesspool

- If septic or cesspool, age? _____
- Date last pumped? _____
- Frequency of pumping? _____
- Any known material defects? *If Yes, explain below* Yes No Unkn NA

29. Who is your electrical service provider? _____

- What is the amperage? _____
- Does it have circuit breakers or fuses? _____
- Private or public poles? _____
- Any known material defects? *If yes, explain below* Yes No Unkn NA

30. Are there any flooding, drainage or grading problems that resulted in standing water on any portion of the property? *If Yes, state locations and explain below* Yes No Unkn NA

31. Does the basement have seepage that results in standing water? *If Yes, explain below* Yes No Unkn NA

Are there any known material defects in any of the following? *If Yes, explain below. Use additional sheets if necessary*

32. Plumbing system? Yes No Unkn NA

33. Security system? Yes No Unkn NA

34. Carbon monoxide detector? Yes No Unkn NA

Property Condition Disclosure Statement

- 35. Smoke detector? Yes No Unkn NA
- 36. Fire sprinkler system? Yes No Unkn NA
- 37. Sump pump? Yes No Unkn NA
- 38. Foundation/slab? Yes No Unkn NA
- 39. Interior walls/ceilings? Yes No Unkn NA
- 40. Exterior walls or siding? Yes No Unkn NA
- 41. Floors? Yes No Unkn NA
- 42. Chimney/fireplace or stove? Yes No Unkn NA
- 43. Patio/deck? Yes No Unkn NA
- 44. Driveway? Yes No Unkn NA
- 45. Air conditioner? Yes No Unkn NA
- 46. Heating system? Yes No Unkn NA
- 47. Hot water heater? Yes No Unkn NA

48. The property is located in the following school district _____ Unkn

Note: Buyer is encouraged to check public records concerning the property (e.g. tax records and wetland and floodplain maps).

The seller should use this area to further explain any item above. If necessary, attach additional pages and indicate here the number of additional pages attached.

Property Condition Disclosure Statement

Seller's Certification:

Seller certifies that the information in this Property Condition Disclosure Statement is true and complete to the seller's actual knowledge as of the date signed by the seller. If a seller of residential real property acquires knowledge which renders materially inaccurate a Property Condition Disclosure Statement provided previously, the seller shall deliver a revised Property Condition Disclosure Statement to the buyer as soon as practicable. In no event, however, shall a seller be required to provide a revised Property Condition Disclosure Statement after the transfer of title from the seller to the buyer or occupancy by the buyer, whichever is earlier.

Seller's Signature

X _____

Date _____

Seller's Signature

X _____

Date _____

Buyer's Acknowledgment:

Buyer acknowledges receipt of a copy of this statement and buyer understands that this information is a statement of certain conditions and information concerning the property known to the seller. It is not a warranty of any kind by the seller or seller's agent and is not a substitute for any home, pest, radon or other inspections or testing of the property or inspection of the public records.

Buyer's Signature

X _____

Date _____

Buyer's Signature

X _____

Date _____

Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.

Seller's Disclosure

- (a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):
 - (i) _____ Known lead-based paint and/or lead-based paint hazards are present in the housing (explain).

 - (ii) _____ Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.
- (b) Records and reports available to the seller (check (i) or (ii) below):
 - (i) _____ Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and/or lead-based paint hazards in the housing (list documents below).

 - (ii) _____ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgment (initial)

- (c) _____ Purchaser has received copies of all information listed above.
- (d) _____ Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*.
- (e) Purchaser has (check (i) or (ii) below):
 - (i) _____ received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or
 - (ii) _____ waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (initial)

- (f) _____ Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

_____	_____	_____	_____
Seller	Date	Seller	Date
_____	_____	_____	_____
Purchaser	Date	Purchaser	Date
_____	_____	_____	_____
Agent	Date	Agent	Date

363/254

BOOK 1875 PAGE 0044

COUNTY CLERK
OFFICE

02 SEP -3 PM 3:11

SARASOTA, FLA. U.S.A.

CJ 5318

[Space Above This Line For Recording Data]

MORTGAGE

WORDS USED OFTEN IN THIS DOCUMENT

- (A) "Security Instrument." This document, which is dated August 31, 1992, will be called the "Security Instrument."
- (B) "Borrower." Robert T. Farley and Marilyn E. Farley, 7 Glenwood Drive, Glenville, NY 12302 sometimes will be called "Borrower" and sometimes simply "I" or "me."
- (C) "Lender." PIONEER SAVINGS BANK
will be called "Lender." Lender is a corporation or association which exists under the laws of New York
Lender's address is 21 Second Street, Troy, New York 12180
- (D) "Note." The note signed by Borrower and dated August 31, 1992 will be called the "Note." The Note shows that I owe Lender ONE HUNDRED FIFTY-TWO THOUSAND AND 00/100 Dollars (U.S. \$152,000.00) plus interest. I have promised to pay this debt in monthly payments and to pay the debt in full by September 1, 2022.
- (E) "Property." The property that is described below in the section titled "Description of the Property," will be called the "Property."
- (F) "Sums Secured." The amounts described below in the section titled "Borrower's Transfer to Lender of Rights in the Property" sometimes will be called the "Sums Secured."

BORROWER'S TRANSFER TO LENDER OF RIGHTS IN THE PROPERTY

I mortgage, grant and convey the Property to Lender subject to the terms of this Security Instrument. This means that, by signing this Security Instrument, I am giving Lender those rights that are stated in this Security Instrument and also those rights that the law gives to lenders who hold mortgages on real property. I am giving Lender these rights to protect Lender from possible losses that might result if I fail to:

- (A) Pay all the amounts that I owe Lender as stated in the Note;
- (B) Pay, with interest, any amounts that Lender spends under Paragraphs 2 and 7 of this Security Instrument to protect the value of the Property and Lender's rights in the Property; and
- (C) Keep all of my other promises and agreements under this Security Instrument.

DESCRIPTION OF THE PROPERTY

I give Lender rights in the Property described in (A) through (G) below:

(A) The Property which is located at 7 Glenwood Drive [Street]

T/O Glenville [City], New York 12302 [Zip Code] This Property is in Schenectady County. It has the following legal description:

"All that tract or parcel of land, situate, lying and being in the Village, Town or City, and in the County of the State of New York, as described in Schedule "A" attached hereto and incorporated herein by reference."

AND BEING the same premises conveyed to the Mortgagor(s) herein by deed to be recorded immediately prior to the recording of this Instrument.

SUBJECT TO any enforceable covenants, conditions, easements, restrictions found in the chain of title in the Schenectady County Clerk's Office affecting said premises.

~~X~~ The real property is improved by a one family residence only.

THIS IS A PURCHASE MONEY MORTGAGE.

MAILING ADDRESS: 7 Glenwood Drive, Glenville, NY 12302

- (B) All buildings and other improvements that are located on the Property described in subparagraph (A) of this section;
- (C) All rights in other property that I have as owner of the Property described in subparagraph (A) of this section. These rights are known as "easements and appurtenances attached to the Property";
- (D) All rights that I have in the land which lies in the streets or roads in front of, or next to, the Property described in subparagraph (A) of this section;
- (E) All fixtures that are now or in the future will be on the Property described in subparagraphs (A) and (B) of this section;
- (F) All of the rights and property described in subparagraphs (B) through (E) of this section that I acquire in the future; and
- (G) All replacements of or additions to the Property described in subparagraphs (B) through (F) of this section.

BORROWER'S RIGHT TO MORTGAGE THE PROPERTY AND BORROWER'S OBLIGATION TO DEFEND OWNERSHIP OF THE PROPERTY

I promise that: (A) I lawfully own the Property; (B) I have the right to mortgage, grant and convey the Property to Lender; and (C) there are no outstanding claims or charges against the Property, except for those which are of public record.

I give a general warranty of title to Lender. This means that I will be fully responsible for any losses which Lender suffers because someone other than myself has some of the rights in the Property which I promise that I have. I promise that I will defend my ownership of the Property against any claims of such rights.

PLAIN LANGUAGE SECURITY INSTRUMENT

This Security Instrument contains promises and agreements that are used in real property security instruments all over the country. It also contains other promises and agreements that vary, to a limited extent, in different parts of the country. My promises and agreements are stated in "plain language."

SCHEDULE "A"

All that piece or parcel of land, with the improvements thereon, situate, lying and being in the Town of Glenville, County of Schenectady and State of New York, known and designated as Lot No. 7 Glenwood Drive, as shown on a map entitled "Section No. 10 Woodhaven, Lands of Woodhaven Land Development Corp." made by C.T. Male Associates, P.C., dated April 18, 1972, and filed in the Schenectady County Clerk's Office on September 21, 1972 in Plat Cabinet F - 98-99, formerly filed in Drawer 65 as Map No. 135.

Being the same premises conveyed by deed from Sotile Builders, Inc. to Charles R. Riehl and Katharin R. Riehl, his wife, dated December 8, 1977 and recorded December 9, 1977 in Book 1013 at Page 298.

Also being the same premises conveyed by deed from Charles R. Riehl and Katharin R. Riehl to Katharin R. Riehl, dated April 17, 1985 and recorded November 14, 1986 in Book 1124 at Page 251.

I promise and I agree with Lender as follows:

1. BORROWER'S PROMISE TO PAY

I will pay to Lender on time principal and interest due under the Note and any prepayment and late charges due under the Note.

2. MONTHLY PAYMENTS FOR TAXES AND INSURANCE

(A) Borrower's Obligations

I will pay to Lender all amounts necessary to pay for taxes, assessments, water frontage charges and other similar charges, sewer rents, leasehold payments or ground rents (if any), hazard or property insurance covering the Property, and flood insurance (if any). If Lender required mortgage insurance as a condition of making the loan that I promise to pay under the Note, (i) I also will pay to Lender all amounts necessary to pay for mortgage insurance, and (ii) if, under Paragraph 8 below, instead of paying for mortgage insurance I am required to pay Lender an amount equal to the cost of mortgage insurance, I will pay this amount to Lender. I will pay all of these amounts to Lender unless Lender tells me, in writing, that I do not have to do so, or unless the law requires otherwise. I will make these payments on the same day that my monthly payments of principal and interest are due under the Note.

My payments under this Paragraph 2 will be for the items listed in (i) through (vi) below, which are called "Escrow Items":

- (i) The estimated yearly taxes, assessments, water frontage charges and other similar charges, and sewer rents on the Property which under the law may be superior to this Security Instrument as a lien on the Property. Any claim, demand or charge that is made against property because an obligation has not been fulfilled is known as a "lien";
- (ii) The estimated yearly leasehold payments or ground rents on the Property (if any);
- (iii) The estimated yearly premium for hazard or property insurance covering the Property;
- (iv) The estimated yearly premium for flood insurance covering the Property (if any);
- (v) The estimated yearly premium for mortgage insurance (if any); and
- (vi) The estimated yearly amount I may be required to pay Lender under Paragraph 8 below instead of the payment of the estimated yearly premium for mortgage insurance (if any).

Lender will estimate from time to time the amount I will have to pay for Escrow Items by using existing assessments and bills and reasonable estimates of the amount I will have to pay for Escrow Items in the future, unless the law requires Lender to use another method for determining the amount I am to pay. The amounts that I pay to Lender for Escrow Items under this Paragraph 2 will be called the "Funds." The Funds are pledged as additional security for all Sums Secured.

The law puts limits on the total amount of Funds Lender can at any time collect and hold. This total amount cannot be more than the maximum amount a lender for a "federally related mortgage loan" could require me to place in an "escrow account" under the federal law called the "Real Estate Settlement Procedures Act of 1974," as that law may be amended from time to time. If there is another law that imposes a lower limit on the total amount of Funds Lender can collect and hold, Lender will be limited to the lower amount.

(B) Lender's Obligations

Lender will keep the Funds in a savings or banking institution which has its deposits insured by a federal agency, instrumentality, or entity, or in any Federal Home Loan Bank. If Lender is such a savings or banking institution, Lender may hold the Funds. Except as described in this Paragraph 2, Lender will use the Funds to pay the Escrow Items. Lender will give to me, without charge, an annual accounting of the Funds. That accounting must show all additions to and deductions from the Funds and the reason for each deduction.

Lender may not charge me for holding or keeping the Funds, for using the Funds to pay Escrow Items, for making a yearly analysis of my payment of Funds or for receiving, verifying and totaling assessments and bills. However, Lender may charge me for these services if Lender pays me interest on the Funds and if the law permits Lender to make such a charge. Lender also may require me to pay a one-time charge for an independent real estate tax reporting service used by Lender in connection with my loan, unless the law does not permit Lender to make such a charge. Lender will not be required to pay me any interest or earnings on the Funds unless either (i) Lender and I agree in writing, at the time I sign this Security Instrument, that Lender will pay interest on the Funds; or (ii) the law requires Lender to pay interest on the Funds.

(C) Adjustments to the Funds

Under the law, there is a limit on the amount of Funds Lender may hold. If the amount of Funds held by Lender exceeds this limit, then the law requires Lender to account to me in a special manner for the excess amount of Funds. There will be an excess amount if, at any time, the amount of Funds which Lender is holding or keeping is greater than the amount of Funds Lender is allowed to hold under the law.

If, at any time, Lender has not received enough Funds to make the payments of Escrow Items when the payments are due, Lender may tell me in writing that an additional amount is necessary. I will pay to Lender whatever additional amount is necessary to pay the Escrow Items in full. Lender will determine the number of monthly payments I have in which to pay that additional amount, but the number of payments will not be more than twelve.

When I have paid all of the Sums Secured, Lender will promptly refund to me any Funds that are then being held by Lender. If, under Paragraph 21 below, Lender either acquires or sells the Property, then before the acquisition or sale, Lender will use any Funds which Lender is holding at the time of the acquisition or sale to reduce the Sums Secured.

3. APPLICATION OF BORROWER'S PAYMENTS

Unless the law requires otherwise, Lender will apply each of my payments under the Note and under Paragraphs 1 and 2 above in the following order and for the following purposes:

- First, to pay any prepayment charges due under the Note;
- Next, to pay the amounts due to Lender under Paragraph 2 above;
- Next, to pay interest due;
- Next, to pay principal due; and
- Last, to pay any late charges due under the Note.

4. BORROWER'S OBLIGATION TO PAY CHARGES, ASSESSMENTS AND CLAIMS

I will pay all taxes, assessments, water frontage charges and other similar charges, sewer rents, and any other charges and fines that may be imposed on the Property and that may be superior to this Security Instrument. I will also make payments due under my lease if I am a tenant on the Property and I will pay ground rents (if any) due on the Property. I will do this either by making the payments to Lender that are described in Paragraph 2 above or, if I am not required to make payments under Paragraph 2, by making the payments on time to the person owed them. (In this Security Instrument, the word "person" means any person, organization, governmental authority or other party.) If I make direct payments, then promptly after making any of those payments I will give Lender a receipt which shows that I have done so. If I make payment to Lender under Paragraph 2, I will give Lender all notices or bills that I receive for the amounts due under this Paragraph 4.

I will promptly pay or satisfy all liens against the Property that may be superior to this Security Instrument. However, this Security Instrument does not require me to satisfy a superior lien if: (A) I agree, in writing, to pay the obligation which gave rise to the superior lien and Lender approves the way in which I agree to pay that obligation; or (B) in good faith, I argue or defend against the superior lien in a lawsuit so that, during the lawsuit, the superior lien may not be enforced; or (C) I secure from the holder of that other lien an agreement, approved in writing by Lender, that the lien of this Security Instrument is superior to the lien held by that person. If Lender determines that any part of the Property is subject to a superior lien, Lender may give Borrower a notice identifying the superior lien. Borrower shall pay or satisfy the superior lien or take one or more of the actions set forth above within 10 days of the giving of notice.

5. BORROWER'S OBLIGATION TO MAINTAIN HAZARD INSURANCE OR PROPERTY INSURANCE

I will obtain hazard or property insurance to cover all buildings and other improvements that now are or in the future will be located on the Property. The insurance must cover loss or damage caused by fire, hazards normally covered by "extended coverage" hazard insurance policies and other hazards for which Lender requires coverage, including floods and flooding. The insurance must be in the amounts and for the periods of time required by Lender. I may choose the insurance company, but my choice is subject to Lender's approval. Lender may not refuse to approve my choice unless the refusal is reasonable. If I do not maintain the insurance coverage described above, Lender may obtain insurance coverage to protect Lender's rights in the Property in accordance with Paragraph 7 below.

All of the insurance policies and renewals of those policies must include what is known as a "standard mortgage clause" to protect Lender. The form of all policies and renewals must be acceptable to Lender. Lender will have the right to hold the policies and renewals. If Lender requires, I will promptly give Lender all receipts of paid premiums and renewal notices that I receive.

If there is a loss or damage to the Property, I will promptly notify the insurance company and Lender. If I do not promptly prove to the insurance company that the loss or damage occurred, then Lender may do so.

The amount paid by the insurance company is called "proceeds." The proceeds will be used to repair or to restore the damaged Property unless: (A) it is not economically feasible to make the repairs or restoration; or (B) the use of the proceeds for that purpose would lessen the protection given to Lender by this Security Instrument; or (C) Lender and I have agreed in writing not to use the proceeds for that purpose. If the repair or restoration is not economically feasible or if it would lessen Lender's protection under this Security Instrument, then the proceeds will be used to reduce the amount that I owe to Lender under the Note and under this Security Instrument. If any of the proceeds remain after the amount that I owe to Lender has been paid in full, the remaining proceeds will be paid to me.

If I abandon the Property, or if I do not answer, within 30 days, a notice from Lender stating that the insurance company has offered to settle a claim, Lender may collect the proceeds. Lender may use the proceeds to repair or restore the Property or to pay the Sums Secured. The 30-day period will begin when the notice is given.

If any proceeds are used to reduce the amount of principal which I owe to Lender under the Note, that use will not delay the due date or change the amount of any of my monthly payments under the Note and under Paragraphs 1 and 2 above. However, Lender and I may agree in writing to those delays or changes.

If Lender acquires the Property under Paragraph 21 below, all of my rights in the insurance policies will belong to Lender. Also, all of my rights in any proceeds which are paid because of damage that occurred before the Property is acquired by Lender or sold will belong to Lender. However, Lender's rights in those proceeds will not be greater than the Sums Secured immediately before the Property is acquired by Lender or sold.

6. BORROWER'S OBLIGATIONS TO OCCUPY THE PROPERTY, TO MAINTAIN AND PROTECT THE PROPERTY, AND TO FULFILL ANY LEASE OBLIGATIONS; BORROWER'S LOAN APPLICATION

(A) Borrower's Obligations to Occupy the Property

I will occupy the Property and use the Property as my principal residence within sixty days after I sign this Security Instrument. I will continue to occupy the Property and to use the Property as my principal residence for at least one year. The one-year period will begin when I first occupy the Property. However, I will not have to occupy the Property and use the Property as my principal residence within the time frames set forth above if Lender agrees in writing that I do not have to do so. Lender may not refuse to agree unless the refusal is reasonable. I also will not have to occupy the Property and use the Property as my principal residence within the time frames set forth above if extenuating circumstances exist which are beyond my control.

(B) Borrower's Obligations to Maintain and Protect the Property

I will keep the Property in good repair. I will not destroy, damage or harm the Property, and I will not allow the Property to deteriorate.

I will be "in default" under this Security Instrument if I fail to keep any promise or agreement made in this Security Instrument. I also will be in default under this Security Instrument if any civil or criminal action or proceeding for "forfeiture" (that is, a legal action or proceeding to require the Property, or any part of the Property, to be given up) is begun and Lender determines, in good faith, that this action or proceeding could result in a court ruling (i) that would require forfeiture of the Property or (ii) that would materially impair the lien of this Security Instrument or Lender's rights in the Property. I may correct the default by obtaining a court ruling that dismisses the legal action or proceeding, if Lender determines, in good faith, that this court ruling prevents forfeiture of my interests in the Property and also prevents any material impairment of (i) the lien created by this Security Instrument or (ii) Lender's rights in the Property. If I correct the default, I will have the right to have enforcement of this Security Instrument discontinued, as provided in Paragraph 18 below, even if Lender has required immediate payment in full.

(C) Borrower's Obligations to Fulfill Any Lease Obligations

If I do not own but am a tenant on the Property, I will fulfill all my obligations under my lease. I also agree that, if I acquire the fee title to the Property, my lease interest and the fee title will not merge unless Lender agrees to the merger in writing.

(D) Borrower's Loan Application

If, during the application process for the loan that I promise to pay under the Note, I made false or inaccurate statements to Lender about information important to Lender in determining my eligibility for the loan, Lender will treat my actions as a default under this Security Instrument. False or inaccurate statements about information important to Lender would include a misrepresentation of my intentions to occupy the Property as a principal residence. This is just one example of a false or inaccurate statement of important information. Also, if during the loan application process I failed to provide Lender with information important to Lender in determining my eligibility for the loan, Lender will treat this as a default under this Security Instrument.

7. LENDER'S RIGHT TO PROTECT ITS RIGHTS IN THE PROPERTY

If: (A) I do not keep my promises and agreements made in this Security Instrument, or (B) someone, including me, begins a legal proceeding that may significantly affect Lender's rights in the Property (such as a legal proceeding in bankruptcy, in probate, for condemnation or forfeiture, or to enforce laws or regulations), Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include appearing in court, paying reasonable attorneys' 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.

I will pay to Lender any amounts, with interest, which Lender spends under this Paragraph 7. I will pay those amounts to Lender when Lender sends me a notice requesting that I do so. I will also pay interest on those amounts at the Note rate. Interest on each amount will begin on the date that the amount is spent by Lender. However, Lender and I may agree in writing to terms of payment that are different from those in this paragraph. This Security Instrument will protect Lender in case I do not keep this promise to pay those amounts with interest.

8. MORTGAGE INSURANCE

If Lender required mortgage insurance as a condition of making the loan that I promise to pay under the Note, I will pay the premiums for the mortgage insurance. If, for any reason, the mortgage insurance coverage lapses or ceases to be in effect, I will pay the premiums for substantially equivalent mortgage insurance coverage. However, the cost of this mortgage insurance coverage must be substantially equivalent to the cost to me of the previous mortgage insurance coverage, and the alternate mortgage insurer must be approved by Lender.

If substantially equivalent mortgage insurance coverage is not available, Lender will establish a "loss reserve" as a substitute for the mortgage insurance coverage. I will pay to Lender each month an amount equal to one-twelfth of the yearly mortgage insurance premium (as of the time the coverage lapsed or ceased to be in effect). Lender will retain these payments, and will use these payments to pay for losses that the mortgage insurance would have covered. Lender may choose to no longer require loss reserve payments, if mortgage insurance coverage again becomes available and is obtained. The mortgage insurance coverage must be in the amount and for the period of time required by Lender. The Lender must approve the insurance company providing the coverage.

I will pay the mortgage insurance premiums, or the loss reserve payments, until the requirement for mortgage insurance ends according to my written agreement with Lender or according to law. Lender may require me to pay the premiums, or the loss reserve payments, in the manner described in Paragraph 2 above.

9. LENDER'S RIGHT TO INSPECT THE PROPERTY

Lender, and others authorized by Lender, may enter on and inspect the Property. They must do so in a reasonable manner and at reasonable times. Before or at the time an inspection is made, Lender must give me notice stating a reasonable purpose for the inspection.

10. AGREEMENTS ABOUT CONDEMNATION OF THE PROPERTY

A taking of property by any governmental authority by eminent domain is known as "condemnation." I give to Lender my right: (A) to proceeds of all awards or claims for damages resulting from condemnation or other governmental taking of the Property; and (B) to proceeds from a sale of the Property that is made to avoid condemnation. All of those proceeds will be paid to Lender.

If all of the Property is taken, the proceeds will be used to reduce the Sums Secured. If any of the proceeds remain after the amount that I owe to Lender has been paid in full, the remaining proceeds will be paid to me.

Unless Lender and I agree otherwise in writing, if only a part of the Property is taken, and the fair market value of the Property immediately before the taking either is equal to, or greater than, the amount of the Sums Secured immediately before the taking, the amount that I owe to Lender will be reduced only by the amount of proceeds multiplied by a fraction. That fraction is as follows: (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. The remainder of the proceeds will be paid to me.

Unless Lender and I agree otherwise in writing or unless the law requires otherwise, if only a part of the Property is taken, and the fair market value of the Property immediately before the taking is less than the amount of the Sums Secured immediately before the taking, the proceeds will be used to reduce the Sums Secured.

If I abandon the Property, or if I do not answer, within 30 days, a notice from Lender stating that a governmental authority has offered to make a payment or to settle a claim for damages, Lender has the authority to collect the proceeds. Lender may then use the proceeds to repair or restore the Property or to reduce the Sums Secured. The 30-day period will begin when the notice is given.

If any proceeds are used to reduce the amount of principal which I owe to Lender under the Note, that use will not delay the due date or change the amount of any of my monthly payments under the Note and under Paragraphs 1 and 2 above. However, Lender and I may agree in writing to those delays or changes.

11. CONTINUATION OF BORROWER'S OBLIGATIONS AND OF LENDER'S RIGHTS**(A) Borrower's Obligations**

Lender may allow a person who takes over my rights and obligations to delay or to change the amount of the monthly payments of principal and interest due under the Note or under this Security Instrument. Even if Lender does this, however, that person and I will both still be fully obligated under the Note and under this Security Instrument.

Lender may allow those delays or changes for a person who takes over my rights and obligations, even if Lender is requested not to do so. Lender will not be required to bring a lawsuit against such a person for not fulfilling obligations under the Note or under this Security Instrument, even if Lender is requested to do so.

(B) Lender's Rights

Even if Lender does not exercise or enforce any right of Lender under this Security Instrument or under the law, Lender will still have all of those rights and may exercise and enforce them in the future. Even if Lender obtains insurance, pays taxes, or pays other claims, charges or liens against the Property, Lender will have the right under Paragraph 21 below to demand that I make immediate payment in full of the amount that I owe to Lender under the Note and under this Security Instrument.

12. OBLIGATIONS OF BORROWER AND OF PERSONS TAKING OVER BORROWER'S RIGHTS OR OBLIGATIONS

Any person who takes over my rights or obligations under this Security Instrument will have all of my rights and will be obligated to keep all of my promises and agreements made in this Security Instrument. Similarly, any person who takes over Lender's rights or obligations under this Security Instrument will have all of Lender's rights and will be obligated to keep all of Lender's agreements made in this Security Instrument.

If more than one person signs this Security Instrument as Borrower, each of us is fully obligated to keep all of Borrower's promises and obligations contained in this Security Instrument. Lender may enforce Lender's rights under this Security Instrument against each of us individually or against all of us together. This means that any one of us may be required to pay all of the Sums Secured. However, if one of us does not sign the Note: (A) that person is signing this Security Instrument only to give that person's rights in the Property to Lender under the terms of this Security Instrument; and (B) that person is not personally obligated to pay the Sums Secured; and (C) that person agrees that Lender may agree with the other Borrowers to delay enforcing any of Lender's rights or to modify or make any accommodations with regard to the terms of this Security Instrument or the Note without that person's consent.

13. LOAN CHARGES

If the loan secured by this Security Instrument is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed permitted limits: (A) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (B) any sums already collected from Borrower which exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.

14. NOTICES REQUIRED UNDER THIS SECURITY INSTRUMENT

Any notice that must be given to me under this Security Instrument will be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice will be addressed to me at the address stated in the section above titled "Description of the Property." A notice will be given to me at a different address if I give Lender a notice of my different address. Any notice that must be given to Lender under this Security Instrument will be given by mailing it to Lender's address stated in subparagraph (C) of the section above titled "Words Used Often In This Document." A notice will be mailed to Lender at a different address if Lender gives me a notice of the different address. A notice required by this Security Instrument is given when it is mailed or when it is delivered according to the requirements of this Paragraph 14 or of applicable law.

15. LAW THAT GOVERNS THIS SECURITY INSTRUMENT

This Security Instrument is governed by federal law and the law that applies in the place where the Property is located. If any term of this Security Instrument or of the Note conflicts with the law, all other terms of this Security Instrument and of the Note will still remain in effect if they can be given effect without the conflicting term. This means that any terms of this Security Instrument and of the Note which conflict with the law can be separated from the remaining terms, and the remaining terms will still be enforced.

16. BORROWER'S COPY

I will be given one conformed copy of the Note and of this Security Instrument.

17. AGREEMENTS ABOUT LENDER'S RIGHTS IF THE PROPERTY IS SOLD OR TRANSFERRED

Lender may require immediate payment in full of all Sums Secured by this Security Instrument if all or any part of the Property, or if any right in the Property, is sold or transferred without Lender's prior written permission. Lender also may require immediate payment in full if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person. However, Lender shall not require immediate payment in full if this is prohibited by federal law on the date of this Security Instrument.

If Lender requires immediate payment in full under this Paragraph 17, Lender will give me a notice which states this requirement. The notice will give me at least 30 days to make the required payment. The 30-day period will begin on the date the notice is mailed or delivered. If I do not make the required payment during that period, Lender may act to enforce its rights under this Security Instrument without giving me any further notice or demand for payment.

18. BORROWER'S RIGHT TO HAVE LENDER'S ENFORCEMENT OF THIS SECURITY INSTRUMENT DISCONTINUED

Even if Lender has required immediate payment in full, I may have the right to have enforcement of this Security Instrument discontinued. I will have this right at any time before sale of the Property under any power of sale granted by this Security Instrument or at any time before a judgment has been entered enforcing this Security Instrument if I meet the following conditions:

- (A) I pay to Lender the full amount that then would be due under this Security Instrument and the Note as if immediate payment in full had never been required; and
- (B) I correct my failure to keep any of my other promises or agreements made in this Security Instrument; and
- (C) I pay all of Lender's reasonable expenses in enforcing this Security Instrument including, for example, reasonable attorneys' fees; and
- (D) I do whatever Lender reasonably requires to assure that Lender's rights in the Property, Lender's rights under this Security Instrument, and my obligations under the Note and under this Security Instrument continue unchanged.

If I fulfill all of the conditions in this Paragraph 18, then the Note and this Security Instrument will remain in full effect as if immediate payment in full had never been required. However, I will not have the right to have Lender's enforcement of this Security Instrument discontinued if Lender has required immediate payment in full under Paragraph 17 above.

19. NOTE HOLDER'S RIGHT TO SELL THE NOTE OR AN INTEREST IN THE NOTE; BORROWER'S RIGHT TO NOTICE OF CHANGE OF LOAN SERVICER

The Note, or an interest in the Note, together with this Security Instrument, may be sold one or more times. I may not receive any prior notice of these sales.

The entity that collects my monthly payments due under the Note and this Security Instrument is called the "Loan Servicer." There may be a change of the Loan Servicer as a result of the sale of the Note; there also may be one or more changes of the Loan Servicer unrelated to a sale of the Note. The law requires that I be given written notice of any change of the Loan Servicer. The written notice must be given in the manner required under Paragraph 14 above and under applicable law. The notice will state the name and address of the new Loan Servicer, and also tell me the address to which I should make my payments. The notice also will contain any other information required by the law.

20. CONTINUATION OF BORROWER'S OBLIGATIONS TO MAINTAIN AND PROTECT THE PROPERTY

The federal laws and the laws of the jurisdiction where the Property is located that relate to health, safety or environmental protection are called "Environmental Laws." I will not do anything affecting the Property that violates Environmental Laws, and I will not allow anyone else to do so.

Environmental Laws classify certain substances as toxic or hazardous. There are other substances that are considered hazardous for purposes of this Paragraph 20. These are gasoline, kerosene, other flammable or toxic petroleum products, toxic pesticides and herbicides, volatile solvents, materials containing asbestos or formaldehyde, and radioactive materials. The substances defined as toxic or hazardous by Environmental Laws and the substances considered hazardous for purposes of this Paragraph 20 are called "Hazardous Substances."

I will not permit Hazardous Substances to be present on the Property. I will not use or store Hazardous Substances on the Property, and I will not allow anyone else to do so. I also will not dispose of Hazardous Substances on the Property, or release any Hazardous Substance on the Property, and I will not allow anyone else to do so. However, I may permit the presence on the Property of small quantities of Hazardous Substances that are generally recognized as appropriate for normal residential use and maintenance of the Property, and I may use or store these small quantities on the Property. In addition, unless the law requires removal or other action, the buildings, the improvements and the fixtures on the Property are permitted to contain asbestos and asbestos-containing materials if the asbestos and asbestos-containing materials are undisturbed and "non-friable" (that is, not easily crumbled by hand pressure).

If I know of any investigation, claim, demand, lawsuit or other action by the government or by a private party involving the Property and any Hazardous Substance or Environmental Laws, I will promptly notify the Lender in writing. If the government notifies me (or I otherwise learn) that it is necessary to remove a Hazardous Substance affecting the Property or to take other remedial actions, I will promptly take all necessary remedial actions as required by Environmental Laws.

21. LENDER'S RIGHTS IF BORROWER FAILS TO KEEP PROMISES AND AGREEMENTS

Except as provided in Paragraph 17 above, if all of the conditions stated in subparagraphs (A), (B) and (C) of this Paragraph 21 are met, Lender may require that I pay immediately the entire amount then remaining unpaid under the Note and under this Security Instrument. Lender may do this without making any further demand for payment. This requirement is called "immediate payment in full."

If Lender requires immediate payment in full, Lender may bring a lawsuit to take away all of my remaining rights in the Property and have the Property sold. At this sale Lender or another person may acquire the Property. This is known as "foreclosure and sale." In any lawsuit for foreclosure and sale, Lender will have the right to collect all costs and disbursements and additional allowances allowed by law and will have the right to add all reasonable attorneys' fees to the amount I owe Lender, which fees shall become part of the Sums Secured.

Lender may require immediate payment in full under this Paragraph 21 only if all of the following conditions are met:

(A) I fail to keep any promise or agreement made in this Security Instrument, including the promises to pay when due the Sums Secured.

(B) Lender sends to me, in the manner described in Paragraph 14 above, a notice that states:

- (i) The promise or agreement that I failed to keep;
- (ii) The action that I must take to correct that default;
- (iii) A date by which I must correct the default. That date must be at least 30 days from the date on which the notice is given;
- (iv) That if I do not correct the default by the date stated in the notice, Lender may require immediate payment in full, and Lender or another person may acquire the Property by means of foreclosure and sale;
- (v) That if I meet the conditions stated in Paragraph 18 above, I will have the right to have Lender's enforcement of this Security Instrument discontinued and to have the Note and this Security Instrument remain fully effective as if immediate payment in full had never been required; and
- (vi) That I have the right in any lawsuit for foreclosure and sale to argue that I did keep my promises and agreements under the Note and under this Security Instrument, and to present any other defenses that I may have.

(C) I do not correct the default stated in the notice from Lender by the date stated in that notice.

22. LENDER'S OBLIGATION TO DISCHARGE THIS SECURITY INSTRUMENT

When Lender has been paid all amounts due under the Note and under this Security Instrument, Lender will discharge this Security Instrument by delivering a certificate stating that this Security Instrument has been satisfied. I will not be required to pay Lender for the discharge, but I will pay all costs of recording the discharge in the proper official records.

23. AGREEMENTS ABOUT NEW YORK LIEN LAW

I will receive all amounts lent to me by Lender subject to the trust fund provisions of Section 13 of the New York Lien Law. This means that if, on the date this Security Instrument is recorded, construction or other work on any building or other improvement located on the Property has not been completed for at least four months, I will: (A) hold all amounts which I receive and which I have a right to receive from Lender under the Note as a "trust fund"; and (B) use those amounts to pay for that construction or work before I use them for any other purpose. The fact that I am holding those amounts as a "trust fund" means that for any building or other improvement located on the Property I have a special responsibility under the law to use the amount in the manner described in this Paragraph 23.

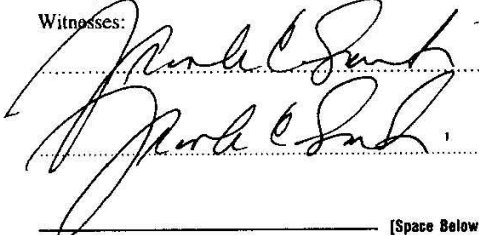
24. RIDERS TO THIS SECURITY INSTRUMENT

If one or more riders are signed by Borrower and recorded together with this Security Instrument, the promises and agreements of each rider are incorporated as a part of this Security Instrument. [Check applicable box(es)]

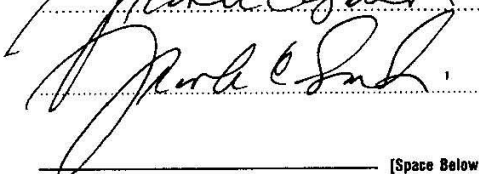
- Adjustable Rate Rider
- Graduated Payment Rider
- Balloon Rider
- Other(s) [specify]
- Condominium Rider
- Planned Unit Development Rider
- Rate Improvement Rider
- 1-4 Family Rider
- Biweekly Payment Rider
- Second Home Rider

BY SIGNING BELOW, I accept and agree to the promises and agreements contained in pages 1 through 10 of this Security Instrument and in any rider(s) signed by me and recorded with it.

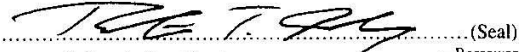
Witnesses:



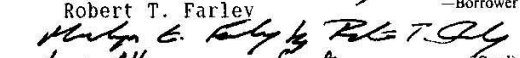
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.....

 (Seal)

Robert T. Farley —Borrower

 (Seal)

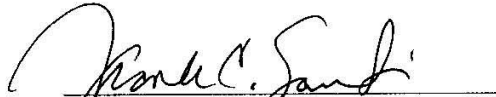
Marilyn E. Farley —Borrower

by Robert T. Farley,
her attorney-in-fact

[Space Below This Line For Acknowledgment]

STATE OF NEW YORK)
COUNTY OF Rensselaer)ss.:

On this 31st day of August, 1992 before me the subscriber personally appeared Robert T. Farley to me known to be the individual(s) described herein and he duly acknowledged to me that they executed the within Instrument.



Frank C. Sarratori

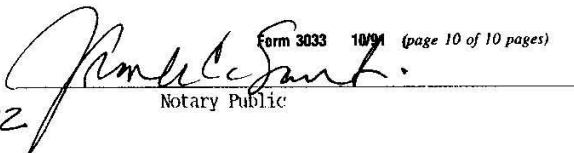
FRANK C. SARRATORI
Notary Public, State of New York
No. 4974528
Qualified in Albany County 1992
Commission Expires Nov. 13, 1992

RECORD AND RETURN TO:
THE MARTIN LAW FIRM
279 River Street (P.O. Box 1530)
Troy, New York 12181

STATE OF NEW YORK, COUNTY OF RENSSELAER, ss.:

On this 31th day of August, 1992, before me personally came ROBERT T. FARLEY to me personally known to be the person described in and appointed attorney in fact by a certain power of attorney executed by MARILYN E. FARLEY dated August 28, 1992 and to be recorded in the Schenectady County Clerk's Office and acknowledged to me that he executed the foregoing instrument as the act and deed of the said MARILYN E. FARLEY.

FRANK C. SARRATORI
Notary Public, State of New York
No. 4974528
Qualified in Albany County 1992
Commission Expires Nov. 13, 1992



Form 3033 10/91 (page 10 of 10 pages)

Notary Public

ADJUSTABLE RATE RIDER

(1 Year Treasury Index — Rate Caps — Fixed Rate Conversion Option)

THIS ADJUSTABLE RATE RIDER is made this 31st day of August 1992, and is incorporated into and shall be deemed to amend and supplement the Mortgage, Deed of Trust or Security Deed (the "Security Instrument") of the same date given by the undersigned (the "Borrower") to secure Borrower's Adjustable Rate Note (the "Note") to PIONEER SAVINGS BANK having an office at 21 Second Street Troy, New York 12180 (the "Lender") of the same date and covering the property described in the Security Instrument and located at: 7 Glenwood Drive T/O Glenville, NY 12302

[Property Address]

THE NOTE CONTAINS PROVISIONS ALLOWING FOR CHANGES IN THE INTEREST RATE AND THE MONTHLY PAYMENT. THE NOTE LIMITS THE AMOUNT THE BORROWER'S ADJUSTABLE INTEREST RATE CAN CHANGE AT ANY ONE TIME AND THE MAXIMUM RATE THE BORROWER MUST PAY. THE NOTE ALSO CONTAINS THE OPTION TO CONVERT THE ADJUSTABLE RATE TO A FIXED RATE.

ADDITIONAL COVENANTS. In addition to the covenants and agreements made in the Security Instrument, Borrower and Lender further covenant and agree as follows:

A. ADJUSTABLE RATE AND MONTHLY PAYMENT CHANGES

The Note provides for an initial interest rate of 5.37500 %. The Note provides for changes in the adjustable interest rate and the monthly payments, as follows:

4. ADJUSTABLE INTEREST RATE AND MONTHLY PAYMENT CHANGES

(A) Change Dates

The adjustable interest rate I will pay may change on the first day of September, 1993, and on that day every 12th month thereafter. Each date on which my adjustable interest rate could change is called a "Change Date."

(B) The Index

Beginning with the first Change Date, my adjustable interest rate will be based on an Index. The "Index" is the weekly average yield on United States Treasury securities adjusted to a constant maturity of 1 year, as made available by the Federal Reserve Board. The most recent Index figure available as of the date 45 days before each Change Date is called the "Current Index."

If the Index is no longer available, the Note Holder will choose a new index which is based upon comparable information. The Note Holder will give me notice of this choice.

(C) Calculation of Changes

Before each Change Date, the Note Holder will calculate my new interest rate by adding THREE percentage points (3.00 %) to the Current Index. The Note Holder will then round the result of this addition to the nearest one-eighth of one percentage point (0.125%). Subject to the limits stated in Section 4(D) below, this rounded amount will be my new interest rate until the next Change Date.

The Note Holder will then determine the amount of the monthly payment that would be sufficient to repay the unpaid principal that I am expected to owe at the Change Date in full on the maturity date at my new interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment.

(D) Limits on Interest Rate Changes

The interest rate I am required to pay at the first Change Date will not be greater than 7.375 % or less than 3.375 %. Thereafter, my interest rate will never be increased or decreased on any single Change Date by more than TWO percentage points (2.00 %) from the rate of interest I have been paying for the preceding 12 months. My interest rate will never be greater than 11.375 %, which is called the "Maximum Rate." *

(E) Effective Date of Changes

My new interest rate will become effective on each Change Date. I will pay the amount of my new monthly payment beginning on the first monthly payment date after the Change Date until the amount of my monthly payment changes again.

(F) Notice of Changes

The Note Holder will deliver or mail to me a notice of any changes in my adjustable interest rate and the amount of my monthly payment before the effective date of any change. The notice will include information required by law to be given me and also the title and telephone number of a person who will answer any question I may have regarding the notice.

B. FIXED INTEREST RATE OPTION

The Note provides for the Borrower's option to convert from an adjustable interest rate with interest rate limits to a fixed interest rate, as follows:

5. FIXED INTEREST RATE CONVERSION OPTION

(A) Option to Convert to Fixed Rate

I have a Conversion Option which I can exercise unless I am in default or this Section 5(A) will not permit me to do so. The "Conversion Option" is my option to convert the interest rate I am required to pay by this Note from an adjustable rate with interest rate limits to the fixed rate calculated under Section 5(B) below.

The conversion can only take place on a date(s) specified by the Note Holder during the period beginning on the first Change Date and ending on the fifth Change Date. Each date on which my adjustable interest rate can convert to the new fixed rate is called the "Conversion Date."

MULTISTATE CONVERTIBLE ADJUSTABLE RATE RIDER — Single Family — Freddie Mac Uniform Instrument Form 3130 1/88
Form 4819 (8810)

GLS TO REORDER CALL 6941 LAKES BUSINESS FORMS, INC.
USA 1 800 253 0209 • MI * 800 358 2643 • FAX 616 243 0335

* Notwithstanding anything contained herein to the contrary, my adjustable interest rate will never be greater than 9.75% during the first five years of the loan term.

If I want to exercise the Conversion Option, I must first meet certain conditions. Those conditions are that: (i) I must give the Note Holder notice that I want to do so; (ii) on the Conversion Date, I must not be in default under the Note or the Security Instrument; (iii) by a date specified by the Note Holder, I must pay the Note Holder a conversion fee of U.S. \$ 250.00 ; and (iv) I must sign and give the Note Holder any documents the Note Holder requires to effect the conversion.

(B) Calculation of Fixed Rate

My new, fixed interest rate will be equal to the Federal Home Loan Mortgage Corporation's required net yield as of a date and time of day specified by the Note Holder for (i) if the original term of this Note is greater than 15 years, 30-year fixed rate mortgages covered by applicable 60-day mandatory delivery commitments, plus three-eighths of one percentage point (0.375%), or (ii) if the original term of this Note is 15 years or less, 15-year fixed rate mortgages covered by applicable 60-day mandatory delivery commitments, plus three-eighths of one percentage point (0.375%). If this required net yield cannot be determined because the applicable commitments are not available, the Note Holder will determine my interest rate by using comparable information. My new rate calculated under this Section 5(B) will not be greater than the Maximum Rate stated in Section 4(D) above.

(C) New Payment Amount and Effective Date

If I choose to exercise the Conversion Option, the Note Holder will determine the amount of the monthly payment that would be sufficient to repay the unpaid principal I am expected to owe on the Conversion Date in full on the maturity date at my new fixed interest rate in substantially equal payments. The result of this calculation will be the new amount of my monthly payment. Beginning with my first monthly payment after the Conversion Date, I will pay the new amount as my monthly payment until the maturity date.

C. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER

1. Until Borrower exercises the Conversion Option under the conditions stated in Section B of this Adjustable Rate Rider, Uniform Covenant 17 of the Security Instrument is amended to read as follows:

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument. Lender also shall not exercise this option if: (a) Borrower causes to be submitted to Lender information required by Lender to evaluate the intended transferee as if a new loan were being made to the transferee; and (b) Lender reasonably determines that Lender's security will not be impaired by the loan assumption and that the risk of a breach of any covenant or agreement in this Security Instrument is acceptable to Lender.

To the extent permitted by applicable law, Lender may charge a reasonable fee as a condition to Lender's consent to the loan assumption. Lender may also require the transferee to sign an assumption agreement that is acceptable to Lender and that obligates the transferee to keep all the promises and agreements made in the Note and in this Security Instrument. Borrower will continue to be obligated under the Note and this Security Instrument unless Lender releases Borrower in writing.

If Lender exercises the option to require immediate payment in full, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

2. If Borrower exercises the Conversion Option under the conditions stated in Section B of this Adjustable Rate Rider, the amendment to Uniform Covenant 17 of the Security Instrument contained in Section C1 above shall then cease to be in effect, and the provisions of Uniform Covenant 17 of the Security Instrument shall instead be in effect, as follows:

Transfer of the Property or a Beneficial Interest in Borrower. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Security Instrument. However, this option shall not be exercised by Lender if exercise is prohibited by federal law as of the date of this Security Instrument.

If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Security Instrument. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Security Instrument without further notice or demand on Borrower.

BY SIGNING BELOW, Borrower accepts and agrees to the terms and covenants contained in this Adjustable Rate Rider.

Robert T. Farley (Seal) Borrower
Marilyn E. Farley by Robert T. Farley, her attorney-in-fact (Seal) Borrower

CJ 5318

160.00+355.00+350.00+1445.00

1875
MFL
440

County Clerk

640

BOOK 1353 PAGE 0254

92 3801

This Indenture

Made the ^{28th} day of ^{August} Nineteen Hundred and Ninety-two
Between KATHARIN R. BRINK, f/k/a KATHARIN R. RIEHL, residing at 7

Glenwood Drive, Scotia, New York 12302 and CHARLES R. RIEHL, residing
at 7 Glenwood Drive, Scotia, New York 12302

parties of the first part, and

ROBERT T. FARLEY and MARILYN E. FARLEY, husband and wife,

residing at 7 Glenwood Drive, Scotia, NY 12302

Witnesseth that the parties of the first part, in consideration of parties of the second part,
One and 00/100 Dollar (\$ 1.00 --)

lawful money of the United States, and other good and valuable consideration
paid by the parties of the second part, do hereby grant and release unto the
parties of the second part, their heirs and assigns forever, all

THAT PIECE OR PARCEL OF LAND, with the improvements thereon,
situate, lying and being in the Town of Glenville, County of
Schenectady and State of New York, known and designated as Lot No.
7 Glenwood Drive, as shown on a map entitled "Section No. 10
Woodhaven, Lands of Woodhaven Land Development Corp." made by C. T.
Male Associates, P. C. dated April 18, 1972, and filed in the
Schenectady County Clerk's Office on September 21, 1972, in Drawer
65 as Map No. 135, now Plat Cabinet F-98 and 99.

SUBJECT to any and all enforceable covenants, conditions,
easements and restrictions of record, if any, affecting said
premises.

BEING THE SAME PREMISES conveyed in a deed from Charles R.
Riehl and Katharin R. Riehl to Katharin R. Riehl, dated April 17,
1985 and recorded in the Schenectady County Clerk's Office on
November 14, 1986 in Book 1124 of Deeds, at Page 251.

Charles R. Riehl is signing this deed for the purpose of releasing any
lien or debt created by the deed in Book 1124, Page 251, recorded in the
Schenectady County Clerk's Office on November 14, 1986.

4 SEC. 22-20
TAX MAP IDENT
BLK 1 LOT 27

263/209

000431

RECORDED
640.00
SEP 03 1986

SEP 19 1986

Together with the appurtenances and all the estate and rights of the parties of the first part in and to said premises,
To have and to hold the premises herein granted unto the parties of the second part, their heirs and assigns forever.

And said parties of the first part covenant as follows:
First, That the parties of the second part shall quietly enjoy the said premises;
Second, That said parties of the first part

will forever Warrant the title to said premises.

Third, That, in Compliance with Sec. 13 of the Lien Law, the grantor will receive the consideration for this conveyance and will hold the right to receive such consideration as a trust fund to be applied first for the purpose of paying the cost of the improvement and will apply the same first to the payment of the cost of the improvement before using any part of the total of the same for any other purpose.

In Witness Whereof, the parties of the first part have hereunto set their hands and seals the day and year first above written.

IN PRESENCE OF

Katharin R. Brink f/k/a
Katharin R. Riehl
KATHARIN R. BRINK, f/k/a
KATHARIN R. RIEHL
Charles R. Riehl
CHARLES R. RIEHL

State of New York
County of *Schenectady*) ss.

On this *28th* day of *August*
Nineteen Hundred and Ninety-two

before me, the subscriber, personally appeared

KATHARIN R. BRINK, f/k/a KATHARIN R. RIEHL

to me personally known and known to me to be the same person described in and who executed the within Instrument, and he duly acknowledged to me that he executed the same.

STATE OF NEW YORK)
COUNTY OF *Schenectady*) ss.:

William P. Pater
Notary Public.
Com. Ex. 7/21/94 Schenectady County

On this *28th* day of *August*, 1992, before me, the subscriber, personally appeared CHARLES R. RIEHL, to me personally known and known to me to be the same person described in and who executed the within Instrument and he duly acknowledged to me that he executed the same.

William P. Pater
Com. Ex. 7/21/94 Notary Public. *Schenectady County*

92 3801

Deed

WARRANTY WITH LIEN COVENANT

TO

19
Dated,

STATE OF NEW YORK

COUNTY OF *Schenectady* ss.

RECORDED ON THE

3 day of *Sept.* A.D. 19 *92*
at *3:10* o'clock *P.* M.
in LIBER *1353* of DEEDS
at PAGE *254* and examined

CLERK

A. T. A. S.
ROBERT T. FARLEY
7 GLENWOOD DRIVE
GLENVILLE, NY
12302



Schenectady County Real Estate Filing and Recording Fees

Schenectady County, New York – New Fee Schedule – Effective January 1, 2018

**Schenectady County Mortgage Tax is 1.25%
Transfer Tax (Deed Stamps) \$4 per thousand**

Certify Prepared Copy

Certify a prepared copy \$.50 per page \$5.00 Minimum
Prepare & Certify Copy \$1.00 per page \$5.00 Minimum

Census

Search & Certificate for each two years searched \$5.00

Copies

Self Service Copies \$.50 per page
Staff Prepared and/or Certified - \$1.00 per page Minimum \$5.00
To Certify Prepared Copy - \$.50 per page Minimum \$5.00
Printed Case on Appeal - Minimum \$1.00 Maximum \$30.00
To Certify - \$.50 per page Minimum \$5.00
Exemplified Copies - in addition to fee preparing \$10.00

Deeds

Cover Page \$5.00
Record and Index \$40.00
- Plus \$5.00 per page, \$.50 for each additional name beyond two
Capital Gains \$5.00
RP-5217 \$125.00 residential/ \$250.00

Executions

To Satisfy No Fee
Farm Name Filing \$2.00

Judgements

Certificate of Disposition \$5.00
Need to file Index # \$210.00
Discharge by Deposit Pursuant to Court Order No Fee
Transcript (File) \$10.00
Transcript (To Issue) \$5.00

Lis Pendens

File, Record & Index Number \$35.00
Notice or Order Canceling \$35.00

Maps

File \$10.00
Copies \$5.00
Affidavit of Tax Search \$5.00
Per Lot Fee (1-3), (4-9), (10 or more) \$25.00, \$50.00, \$100.00

Mortgages

Cover Page \$5.00
Record & Index \$40.00
- Plus \$5.00 per page
- Plus \$.50 for each additional name beyond one
Assignment \$40.50
- Plus \$3.00 for each mortgage in excess of one
- Plus \$.50 for each cross reference
- Plus \$5.00 per page
Discharge \$40.50
- Plus \$5.00 per page, plus \$.50 for each mortgage consolidated
- Plus \$.50 for examining assignment therein
- Plus \$.50 for each additional name beyond one