

7/11/12

2. Taxes and Insurance. Borrower will pay, when due, all taxes, assessments, levies and charges upon the Property, and will keep all improvements now or hereafter located on the Property insured against loss and damage by fire, tornado and windstorm and against such other hazards as the Lender may require, in amounts and in companies satisfactory to the Lender, (but not less than \$40,000.00 or any greater amount sufficient to prevent any co-insurance liability of the Borrower or the Lender), for the benefit of the Lender, loss, if any, to be made payable in the policy or policies of insurance to the Lender as its interest may appear, the loss payable clauses to be in such form as the Lender may require. All insurance shall be of such types as the Lender may from time to time require and shall be in companies approved by the Lender, and the policies and renewals thereof shall, when issued, be immediately forwarded to the Lender to be held by it. The proceeds of any insurance or any part thereof may be applied by the Lender at its option either to the reduction of the indebtedness hereby secured or to the restoration or repair of the Property damaged. The Borrower shall deliver to the Lender sufficient evidence that all such taxes, assessments, levies, charges and insurance premiums have been paid when due. The Lender may, at its option, pay any insurance premiums, taxes, assessments, levies or charges against the Property, and in such case the amounts so expended by the Lender shall become debts due by the Borrower, shall bear interest at the rate set forth in the Borrower's aforesaid note, and their payment shall be secured by this mortgage.

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