

2. Charges; Liens.

I will pay prior to delinquency all taxes, assessments, charges, fines and impositions attributable to the Property, and I will pay these obligations directly to the person or entity owed payment. I will, upon your request, promptly furnish to you all notices of amounts to be paid under this Section and all receipts evidencing those payments.

I will promptly discharge any lien on the Property which may attain priority over this Security Instrument (other than as listed in the title insurance policy ("Title Policy") issued to you and insuring this Security Instrument) unless I (a) agree in writing to pay the obligation secured by the lien in a manner acceptable to you; (b) contest in good faith the lien by, or defend against enforcement of the lien in, legal proceedings which in your opinion operate to prevent enforcement of the lien or forfeiture of any part of the Property; or (c) secure from the holder of the lien an agreement satisfactory to you subordinating the lien to this Security Instrument. If you determine that any part of the Property is subject to a lien, you may immediately cease making any further Advances, and give me a notice identifying the lien. I will satisfy the lien or take one or more of the actions set forth above within ten (10) days of your giving me this notice.

3. Hazard Insurance.

I will keep the improvements now existing or erected in the future on the Property insured against loss by fire, hazards included within the terms "extended coverage" and "all risk", and any other hazards, including floods or flooding, for which you require insurance, through an insurance company and on terms satisfactory to you, and which provides you with at least ten (10) days prior written notice before any change or cancellation can be made. I understand that all insurance policies and renewals must be acceptable to you and include a standard mortgagee clause in your favor. You have the right to hold the policies and renewals. If you require, I will promptly give you all receipts for paid premiums and renewal notices. In the event of loss, I will give prompt notice to the insurance carrier and to you. You may submit proof of loss if I do not do so promptly. I hereby authorize you to contact the insurance carrier to verify the coverage and to ensure that you are named as loss payee under a standard mortgagee clause. In the event that you are not so named, I authorize you to instruct the insurance carrier to so name you.

If I do not provide you with evidence of insurance satisfactory to you upon your request you may, but are not obligated to, in accordance with Section 6, obtain such insurance on your own behalf or on my behalf, at your option, naming you as the insured or otherwise, at your sole option. I acknowledge that insurance you obtain in this way may provide less protection to me and may be more expensive than insurance I could obtain.

Unless you and I agree differently in writing, insurance proceeds will be applied to restore or repair the damaged Property, if (a) the restoration or repair is economically feasible within a reasonable period of time; (b) I am willing and able to repair or restore the Property as necessary within a reasonable period of time; and (c) the value of your security would not be lessened. If the foregoing requirements are not all met you may, at your option, use the insurance proceeds to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not they are then due, with any excess paid to me. If I abandon the Property or do not answer within 30 days a notice from you that the insurance carrier has offered to settle a claim, you may collect the insurance proceeds and use them to repair or restore the Property or to pay sums secured by this Security Instrument, whether or not they are then due. The thirty-day period will begin when the notice is given.

