

2. OBLIGATION OF PAYMENT. Mortgagor covenants and agrees to pay punctually when due the principal indebtedness and all interest accruing thereon, as provided in the Promissory Note secured hereby, together with any amounts advanced by Mortgagee pursuant to the terms of this Mortgage and the Land Development Loan Agreement executed simultaneously herewith. Mortgagor reserves, however, the right to prepay the indebtedness secured hereby in whole or in part at any time prior to maturity without notice or penalty.

3. EXTENSIONS ON TIME OF PAYMENT. Mortgagor covenants and agrees that the lien of this Mortgage shall remain in full force and effect during any definite or indefinite postponement or extension of the time for payment of the indebtedness, or any part thereof, secured hereby.

4. TAXES, ASSESSMENTS, OTHER LEVIES. Mortgagor covenants and agrees to pay when due all taxes, assessments, and other governmental fines or impositions levied upon the Mortgaged Property. If Mortgagor fails to make any such payment punctually, Mortgagee may advance payment; and all amounts thus paid by Mortgagee shall be payable upon demand and until paid shall be added to the principal indebtedness secured hereby, shall bear interest from the date of payment at the same rate as the principal indebtedness, and shall be secured by this Mortgage.

5. INSURANCE. Mortgagor covenants and agrees to procure and continuously to maintain hazard insurance sufficient to insure against loss or damage to the Mortgaged Property by fire, windstorm, or other casualty, and against theft, vandalism, or such other destructive agencies and events for which insurance is deemed necessary by Mortgagee. Such policies are to be issued by companies approved by Mortgagee in amounts not less than the value of completed improvements. In no event shall such policies be less than sufficient to prevent any co-insurance liability of Mortgagor in the event

RECORD

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