

It is agreed between the Mortgagor and Mortgagee herein that this mortgage shall rank equal in priority with the lien of that mortgage given by Patewood Corporation to Provident Life and Accident Insurance Company dated September 2, 1964, in the original amount of \$125,000.00, recorded in the RMC Office for Greenville County, S.C., in Mortgage Book 970, page 533.

It is further agreed between said Mortgagor and Mortgagee herein that any default under the terms of this mortgage or the note secured hereby shall constitute a default under that mortgage given by Patewood Corporation to Provident Life and Accident Insurance Company on September 2, 1964, in the original amount of \$125,000.00, recorded in the RMC Office for Greenville County, S.C., in Mortgage Book 970, Page 533.

It is further agreed that any default in the terms and conditions of that mortgage given by Patewood Corporation to Provident Life and Accident Insurance Company on September 2, 1964, recorded in Mortgage Book 970, page 533, RMC Office for Greenville County, S.C., shall constitute a default under the terms of the within mortgage and the note secured thereby.

MS The Mortgagor herein agrees to keep the improvements upon said premises constantly and satisfactorily insured in an insurance company or companies to be approved by the Mortgagee herein, until said note or notes are all paid, against loss by fire and the risks covered under the Extended Coverage Endorsement, in an amount equal to 100% of the replacement cost of the improvements, said coverage to be endorsed with a Replacement Cost Endorsement, the amount reviewed annually and increased if necessary so as to provide coverage at all times in an amount necessary to restore the improvements to the condition existing just prior to the destruction or damage. Such policy or policies shall be deposited with and made payable to the Mortgagee herein by attachment of the Standard Mortgage Clause for further securing of said note or notes, and the proceeds thereof shall at the option of the mortgagee herein be applied in payment of the indebtedness secured by this Mortgage; provided however, notwithstanding the option of the Mortgagee herein to apply the proceeds to said indebtedness, if the building is partially or wholly destroyed at such time or under such conditions as to require the Mortgagor herein to restore the building under the terms of the lease dated October 18, 1965, and Addendum thereto, between the Mortgagor herein as Lessor, and Byrd Furniture Co., Inc., as Lessee, and provided said lease is not terminated by either party thereto or by its terms, the proceeds shall be held by the Mortgagee herein and disbursed for the rebuilding, reconstructing and repairing of the aforesaid premises upon request as the work progresses to the Mortgagor herein, through the medium of a title insurance company selected by the Mortgagee herein, (the charges and expenses of which shall be paid by the Mortgagor herein) and upon assurance of the title company that no mechanic's or materialmen's liens have attached to the property, and upon a certificate of a licensed architect or engineer in charge of the work stating that:

- (a) The sum requested is fully due to the contractors, sub-contractors, materialmen, laborers, engineers, and/or other persons, firms or corporations rendering services or supplying material for such work, or is fully required to reimburse the Mortgagor herein for expenditures made by it in connection with such work, and when added to all sums previously paid out by the Mortgagee herein does not exceed the value of the work done to the date of such certificate; and