

3.05 Changes, etc. Neither this Mortgage nor any term hereof may be changed, waived, discharged or terminated orally, or by any action or inaction, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. Any agreement hereafter made by Mortgagor and Mortgagee relating to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance.

3.06 Governing Law. This Mortgage is made by Mortgagor and accepted by Mortgagee in the State of South Carolina, with reference to the laws of such State, and shall be construed, interpreted, enforced and governed by and in accordance with such laws (excluding the principles thereof governing conflicts of law).

3.07 Default Rate. The Default Rate shall be 10.20% per annum.

3.08 Construction Loan Agreement to Control. To the extent any provisions of this First Mortgage and Security Agreement are inconsistent or in conflict with the provisions of the Loan Agreement, the provisions of the Loan Agreement shall be controlling.

ARTICLE FOUR

LENDING PROVISIONS

4.01 Breach of Loan Agreement and Other Documents. Notwithstanding anything to the contrary contained in this Mortgage or in the Note, or in any other instrument securing the loan evidenced by such Note, upon an Event of Default unless cured in accordance with the terms of the Loan Agreement hereinafter referred to, Mortgagee may at its option declare the entire indebtedness secured hereby, and all interest thereon and all advances made by Mortgagee hereunder, immediately due and payable and/or exercise all additional rights accruing to it under this Mortgage in the event of a breach by Mortgagor of any covenant contained in this Mortgage, the Note, or in the Loan Agreement between Mortgagor and Mortgagee, which Loan Agreement is, by this reference, herein incorporated to the same extent and effect as though it were set forth herein in full. The proceeds of the loan secured hereby are to be disbursed by Mortgagee to Mortgagor in accordance with the provisions contained in the Loan Agreement. All advances and indebtedness arising and accruing under the Loan Agreement from time to time shall be secured hereby.

4.02 Future Advances. This mortgage is given to secure not only existing indebtedness, but also such future advances, whether such advances are obligatory or are to be made at the option of the Mortgagee, or otherwise, as are made within fifteen years from the date hereof, to the same extent as if such future advances were made on the date of the execution of this mortgage. The total amount of indebtedness that may be so secured may decrease or increase from time to time, but the total unpaid balance so secured at one time shall not exceed twice the face amount of the Note, plus interest thereon, and any disbursements made for the payment of taxes, levies or insurance on the mortgaged property, with interest on such disbursements at the Default Rate.

4.03 Covenants of Guarantors. As a part of the inducement to Mortgagee to make the loan evidenced by the Note, Mortgagor has caused certain other persons, firms or corporations to enter into certain guaranty agreements with Mortgagee pertaining to the financing and payment for construction of improvements on the Land. Mortgagor covenants and agrees that such persons, firms or corporations shall fully perform, comply with and abide by such agreements. It is further understood and agreed by Mortgagor that such representation and agreements by the other persons, shall constitute, for the purpose of its obligations hereunder, covenants on behalf of Mortgagor.

4.04 Partial Releases. In the event no default exists under the provisions of the Note, this Mortgage, or the Loan Agreement, Mortgagee shall make partial releases in accordance with the terms of the Loan Agreement.

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