

(b) Mortgagor shall have the right, after prior notice to mortgagee, to contest by appropriate legal proceedings diligently conducted in good faith, without cost or expense to mortgagee, the validity or application of any law, ordinance, order, rule, regulation or requirement of the nature referred to in subparagraph "(a)" hereof, provided that the mortgagor furnishes to the mortgagee security, reasonably satisfactory to mortgagee, against any loss or injury by reason of such contest or delay in compliance therewith and prosecutes the contest with due diligence.

32. In the event that the Mortgaged Property, or any part thereof, shall be taken in condemnation proceedings, or by exercise of any right of eminent domain (hereinafter called, collectively "condemnation proceedings"), mortgagor and mortgagee shall have the right to participate in any such condemnation proceedings. The parties agree to execute any and all further documents that may be required in order to facilitate collection of any award or awards and the making of any such deposit.

33. The Mortgagor represents that (a) it is a limited partnership in good standing in the State of South Carolina, and that either Albert G. Schmerge Jr. or Albert G. Schmerge III, as a general partner, has full authority to execute and deliver this Mortgage on behalf of the mortgagor, and (b) the Agreement of Limited Partnership does not require the consent of the limited partners to the execution and delivery of this Mortgage to the mortgagee.

34. Upon the occurrence of an Event of Default hereunder, mortgagee: (i) shall be entitled to resort to its several securities for the payment of the sums secured hereby in such order and manner as mortgagee may think fit without impairing mortgagee's lien in or rights to any of such securities and without affecting the liability of any person, firm or corporation for the sums secured hereby, except to the extent that the indebtedness secured hereby shall have been reduced by the actual monetary consideration, if any, received by mortgagee from the proceeds of such security; (ii) may, in mortgagee's sole discretion, release for such consideration, or none, as mortgagee may require, any portion of the Mortgaged Property without, as to the remainder of the security, in anywise impairing or affecting the lien of this mortgage or the priority thereof or improving the position of any subordinate lienholder with respect thereto, except to the extent that the indebtedness secured hereby shall have been reduced by the actual monetary consideration, if any, received by the mortgagee for such release; and/or (iii) may accept the assignment or pledge of any other property in place thereof as mortgagee may require without being accountable for so doing to any other lienor.

35. Mortgagor shall, promptly upon request of mortgagee: (i) do all acts and things, including but not