

This conveyance is intended to operate and is to be construed as a Mortgage and is made under those provisions of existing laws of the State of South Carolina and is given to secure (a) the debt evidenced by the aforementioned Note (b) any additional sums and advances as may be advanced or readvanced to or for Mortgagor's account for taxes, insurance premiums, public assessments, repairs, advances necessary to complete or restore improvements or for any other purpose, said additional sums and advances to be treated as disbursements under the Note and to bear interest from disbursement at the rate per annum which is two (2%) percent in excess of the rate of interest provided in the Note. (The Note and other obligations secured hereby are sometimes collectively referred to as "Secured Indebtedness".)

PROVIDED THAT, it is the intent of the parties hereto that if all of the Secured Indebtedness is paid when due and Mortgagor keeps and performs all of the covenants, provisions and agreements of this Mortgage and any other instrument securing this loan, then this instrument will be void and release or satisfaction thereof will be made at the expense of Mortgagor.

IT IS UNDERSTOOD AND AGREED THAT this conveyance is made subject to and that the parties hereto have agreed on and are bound by and will observe and fulfill the following covenants, stipulations and conditions:

ARTICLE ONE

COVENANTS OF MORTGAGOR

1.01 Performance of Note, Mortgage, etc. Mortgagor shall perform, observe and comply with all provisions hereof, of the Note and of every other instrument securing the Note, and will promptly pay to Mortgagee the principal with interest thereon and all other sums required to be paid by Mortgagor under the Note and pursuant to the provisions of this Mortgage and of every other instrument securing the Note when payment shall become due, all without deduction or credit for taxes or other similar charges paid by Mortgagor.

1.02 Warranty of Title. Mortgagor covenants and warrants that it is seized of an indefeasible estate in fee simple in the land and real property hereby mortgaged, has good and absolute title to all existing personal property hereby mortgaged or made subject to the security interest hereby created and has good right, full power and lawful authority to convey, mortgage and encumber the same as provided herein; that Mortgagee may at all times peaceably and quietly enter upon, hold, occupy and enjoy the land and real property hereby mortgaged and every part hereof; that the land, real property and all existing personal property hereby mortgaged or made subject to the security interest hereby created is free and clear of all liens, security interests, charges and encumbrances whatsoever, except for the lien for property taxes not yet due and payable and those permitted encumbrances, if any, described in Exhibit "B". Mortgagor shall and will make such further assurances to perfect Mortgagee's fee simple title to the land and the real property hereby mortgaged, and the title to the personal property hereby mortgaged or made subject to the security interest hereby created as may reasonably be required. Mortgagor fully warrants the title to the land, real property and all existing personal property hereby mortgaged or made subject to the security interest hereby created and every part thereof, and will forever defend the same against the claims of all persons whomsoever.

1.03 Zoning and Environmental Laws. Mortgagor covenants and warrants that all applicable zoning laws, ordinances and regulations affecting the mortgaged property permit the use and occupancy of the improvements and further covenant and warrant to comply with all environmental and ecological laws, ordinances and regulations affecting the mortgaged property.

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