

collateral of a value sufficient to secure the balance due on said note and mortgage. Such collateral shall consist of such assets as shall be satisfactory to the Chief Loan Officer of the First National Bank of South Carolina, Greenville, South Carolina, as though such bank was substituted as the Mortgagee under said note and mortgage. Any substituted collateral shall be located in Greenville County, South Carolina. The above determination of the substituted collateral shall be binding and conclusive upon all the parties hereto. Nothing contained herein shall be construed to allow the Mortgagee to receive or withdraw any part of the substituted collateral prior to each installment date fixed in the note. The Mortgagor shall not incur any expense whatsoever connected with the substitution of collateral except for providing the collateral to be substituted in the place and stead of the real estate covered by the mortgage.

4. The Mortgagees agree among themselves that all interest payments due on the purchase money note and mortgage shall be paid to Leola F. Smith, as life tenant, for and during her entire lifetime, and upon her death, to Mildred A. Smith, Michael F. Smith and Douglas Lee Smith, equally. The Mortgagees further agree among themselves that the net cash down payment and all collections of principal on the note and mortgage shall be paid, held and disbursed as follows:

(a) The net principal proceeds of sale at closing, all payments of annual principal and any prepayments of cash on the principal, shall be placed directly in an account in First Federal Savings and Loan Association, Mauldin, South Carolina, for such term or terms and producing such rates of interest as the custodian hereinafter designated may in her discretion determine, in the name of "Leola F. Smith, life tenant, Mildred A. Smith, Michael F. Smith and Douglas Lee Smith, in remainder, Allene Smith Jones, Custodian".

(b) Allene Smith Jones shall be the custodian of all documents including the savings account passbooks or certificates, the original note and mortgage any other documents including assets received pursuant to the substitution of collateral agreement for the safekeeping of the same, to disburse all interest payments from said fund or funds directly to the life tenant, Leola F. Smith, with authority to institute any protective actions.

(c) The amount of any United States or State of South Carolina income taxes charged to Leola F. Smith, Mildred A. Smith, Michael F. Smith or Douglas Lee Smith generated out of the gain from the sale of the property covered by the mortgage shall be paid out of the principal proceeds.

(d) Allene Smith Jones shall be empowered to cancel and satisfy the note and mortgage upon payment in full and to execute partial releases/pursuant to this Agreement or subordinations upon her signature as "Allene Smith Jones, as Custodian for Leola F. Smith, life tenant, and Mildred A. Smith, Michael F. Smith and Douglas Lee Smith, remaindermen", for all purposes whatsoever. The foregoing authority conferred upon Allene Smith Jones shall include the power in her name as Custodian to initiate foreclosure proceedings on said note and mortgage in the event of a default by Mortgagor, together with any other actions which the Custodian deems necessary to protect the interests of the life tenant and the remaindermen in the property under the note and mortgage. In the event the life tenant, Leola F. Smith, dies prior to final payment of the principal and interest due on said note and mortgage, any balance of interest accruing after the date of her death shall be deposited and added to the principal of