

(b) That if Mortgagor shall fail to keep the premises and the buildings and improvements at good repair, Mortgagee may effect required repairs and the advancements therefor shall become a part of the indebtedness hereby secured as of and after the date of such advancements, payable on demand, and if not so paid, shall bear interest, until paid, at the rate of fifteen percent (15%) per annum.

WITH RESPECT TO CONVEYANCE OF TITLE TO, OR OTHER INTEREST IN, THE SECURITY PROPERTY:

That if Mortgagor shall convey, encumber, sell or otherwise transfer the herein described property or any portion thereof or, except as otherwise provided in the Security Agreement of even date herewith, shall convey or encumber any of the personal property and fixtures installed or placed therein or thereon, or any interest in said property, or if the title to same, or any portion thereof, or any interest therein, (except as provided in the Security Agreement) shall in any manner become vested in any person, firm or corporation other than Mortgagor without the prior written consent of Mortgagee (which consent shall not be unreasonably withheld insofar as a sale of the security property is concerned), such conveyance, encumbrance or transfer without said written consent shall constitute a default under the terms of this mortgage and Mortgagee, at its option, may then, or at any time thereafter, declare the indebtedness hereby secured immediately due and payable; except that Mortgagor shall be permitted to convey the security property to a partnership, in which it is a general partner.

WITH RESPECT TO MORTGAGOR'S BANKRUPTCY OR OTHER INSOLVENCY:

That if any proceeding shall be instituted by or against Mortgagor, the purpose and intent of which is to cause Mortgagor to be declared a bankrupt, or other insolvent, and if such proceeding is not dismissed within forty-five (45) days after the petition therefor is filed, or if Mortgagor shall make an assignment for the benefit of its creditors or otherwise take or submit to any action indicating an inability on Mortgagor's part to meet its financial obligations as they accrue, then in any such event, Mortgagor shall be deemed to be in default in the performance of its obligations to Mortgagee hereunder and, said Mortgagee may thereupon immediately, and without notice, declare the unpaid balance of the indebtedness hereby secured immediately due and payable.

WITH RESPECT TO THE FUTURE ENACTMENT OR ADOPTION OF UNFAVORABLE LAWS OR REGULATIONS:

That in the event of the enactment of any law changing the laws now in force and providing for the taxation of mortgages, or of debts secured thereby, or the manner of collection of such taxes, or in the event of the enactment of any law or ordinance, the promulgation of any zoning or other governmental regulation, or the rendition of any judicial decree restricting or affecting the use of the security property or rezoning the district wherein the same shall be situate, and if any of such events in Mortgagee's judgment, reasonably exercised, shall materially and adversely affect the rights of Mortgagee, said Mortgagee may, upon not less than sixty days' written notice to Mortgagor, require payment of the indebtedness secured hereby at such time

PERRY, PATRICK, FARMER & MICHAUX, CHARLOTTE, N. C.

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