

power and remedy given hereunder or under the Note or any other instrument securing the Note, or now or hereafter existing at law, in equity or by statute.

2.14 Sale, Transfer and Encumber Restriction. It shall be a default hereunder, if without the written consent of Mortgagee, such consent not to be unreasonably withheld, the real property described in Exhibit "A", or any part thereof, is sold, transferred, conveyed or further encumbered in any way.

ARTICLE THREE

MISCELLANEOUS PROVISIONS

3.01 Heirs, Successors and Assigns Included in Parties. Whenever one of the parties hereto is named or referred to herein, the heirs, successors and assigns, of such party shall be included and all covenants and agreements contained in this Mortgage, by or on behalf of Mortgagor or Mortgagee, shall bind and inure to the benefit of their respective heirs, successors and assigns, whether so expressed or not.

3.02 Headings. The headings of the articles, sections paragraphs and subdivisions of this Mortgage are for convenience of reference only, are not to be considered a part hereof, and shall not limit or expand or otherwise affect any of the terms hereof.

3.03 Invalid Provisions to Affect No Others. In the event that any of the covenants, agreements, terms or provisions contained in the Note, the Construction Loan Agreement, this Mortgage or any other instrument securing the Note shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provision contained herein and in the Note and any other instrument securing the Note shall be in no way affected, prejudiced or disturbed thereby.

3.04 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.

3.05 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).

3.06 Default Rate. The Default Rate shall be twelve (12%) percent per annum.

ARTICLE FOUR

SECURITY AGREEMENT

4.01 Grant of Security Interest. With respect to the real and personal property hereinabove described this Mortgage and Security Agreement shall constitute a security agreement between Mortgagor and Mortgagee, and, cumulative of all other rights of Mortgagee hereunder, Mortgagee shall have all of the rights conferred upon secured parties by the Uniform Commercial Code (South Carolina). Mortgagor will execute and deliver to Mortgagee to establish and the validity and priority of

0.3.9.1

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