

the Mortgagee's security interest in such property such financing statements to be executed in the manner and form required by law and to the satisfaction of Mortgagee. Mortgagor agrees to pay Mortgagee's charge to the maximum amount permitted by law, for any statement by Mortgagee regarding the obligations secured by this Mortgage and Security Agreement requested by Mortgagor or on behalf of Mortgagor. On demand, Mortgagor will promptly pay all costs and expenses of filing statements, continuation statements, partial releases, and termination statements deemed necessary or appropriate by Mortgagee to establish and maintain the validity and priority of the security interest of Mortgagee, or any modification thereof, and all costs and expenses of any searches reasonably required by Mortgagee. Mortgagee may exercise any or all of the remedies of a secured party available to it under the Uniform Commercial Code (South Carolina) with respect to such property, and it is expressly agreed in accordance with the provisions of the Uniform Commercial Code (South Carolina), ten (10) days' notice by Mortgagee to Mortgagor shall be deemed to be reasonable notice under any provision of the Uniform Commercial Code (South Carolina) requiring such notice; provided, however, that Mortgagee may at its option dispose of the collateral in accordance with Mortgagee's rights and remedies in respect to the real property pursuant to the provisions of this Mortgage, and Security Agreement, in lieu of proceeding under the Uniform Commercial Code (South Carolina).

Some of the items of property described herein are goods that are or are to become fixtures related to the real estate described herein, and it is intended that, as to those goods, this Mortgage and Security Agreement shall be effective as a financing statement filed as a fixture filing from the date of its filing for record in the real estate records of Greenville County, South Carolina. Information concerning the security interest created by this instrument may be obtained from the Mortgagee, as secured party, or the Mortgagor, as debtor, at the addresses first shown above.

4.02 Removal of Property. Except as otherwise provided in this Mortgage and Security Agreement, no fixtures, personal property or other part of the Land or improvements shall be removed, demolished or altered without the prior written consent of Mortgagee; provided, however, Mortgagor may sell or otherwise free from lien of this Mortgage, and Security Agreement, furniture, furnishings, equipment, tools, appliances, machinery, fixtures or appurtenances, subject to the lien hereof, which may become worn out, undesirable or obsolete only if they are replaced immediately with similar items of at least equal value which shall, without further action, become subject to the lien of this Mortgage and Security Agreement, except as otherwise provided in this Mortgage Security Agreement.

ARTICLE FIVE

RELEASES

5.01 Release of Lots. Mortgagee agrees that for the sum of \$20,000.00 per lot released it shall release from the lien of this Mortgage fifty-two (52) of the fifty-five (55) lots as shown and depicted on "General Layout" dated March 1983, revised April 13, 1983, of Kellett Park, Inc., prepared by J. L. Rogers and Callcott Engineers, Inc. bearing engineer's Drawing No. 69-939, subject to the following terms and conditions:

(a) There exists no default in the performance of the terms of this Mortgage, the Note or the Construction Loan Agreement, or any other loan document pertaining to the loan contemplated herein.