

Construction Loan

outstanding under the Notes may vary from time to time by increases up to the maximum amount stated above and decreases down to no outstanding principal or accrued interest. Regardless of the amount of the indebtedness outstanding at any time and regardless of whether there is any amount outstanding under the Notes, it is the intention of Mortgagor and Mortgagee that this Mortgage shall remain in effect and effective until such time as the last to occur of the following events: (i) the Notes have been fully and finally paid and satisfied; (ii) all covenants and obligations secured hereby have been performed; (iii) the Construction Loan Agreement has been legally terminated according to its terms and there is no outstanding agreement for borrowings by Mortgagor from Mortgagee; and (iv) this Mortgage is satisfied of record.

*For purposes herein this is an open-ended Mortgage.

AND MORTGAGOR FURTHER COVENANTS AND AGREES WITH MORTGAGEE AS FOLLOWS:

1. Payment. Mortgagor shall pay to Mortgagee the Secured Indebtedness with interest thereon as provided in the Construction Loan Notes, this Mortgage and all other documents constituting the Secured Indebtedness.

2. Extent of payment other than principal and interest.

(a) Duty to pay. Mortgagor shall pay, when due and payable, (1) all taxes, assessments, general or special, and other charges levied on, or assessed, placed or made against the Premises, this instrument or the Secured Indebtedness or any interest of the Mortgagee in the Premises or the obligations secured hereby; (2) premiums on policies of fire and other hazard insurance covering the Premises, as required herein; and (3) other sums related to the Premises or the indebtedness secured hereby, if any, payable by Mortgagor. Mortgagor shall deliver to Mortgagee not later than March 1 of each tax year with respect to ad valorem taxes, and within a reasonable period of time following written demand by Mortgagee with respect to other items, receipts showing payment in full of all of the above items.

3. Effect of Change in the Law Creating Mortgagee Responsibility for Certain Expenses. In the event of the enactment after this date of any law of South Carolina or the municipality in which the Premises are located deducting from the value of the land for the purpose of taxation of any lien thereon, or imposing upon Mortgagee the payment of the whole or any part of the taxes or assessments or charges or liens herein required to be paid by Mortgagor, or changing in any way the laws relating to the taxation of mortgages or debts secured by mortgages or the Mortgagor's interest in the Premises, or the manner of collection of taxes, so as to affect this mortgage or the debt secured hereby or the holder thereof, then, and in any such event, the Mortgagor upon demand by the Mortgagee, shall pay such taxes or assessments, or reimburse the Mortgagee therefor to the extent permitted by applicable law.

4. Insurance.

(a) Types of coverage; Loss payee; Assignment; Application of funds. Mortgagor shall keep the Premises insured for the benefit of Mortgagee against loss or damage by fire, lightning, windstorm, hail, explosion, riot, riot attending a strike, civil commotion, aircraft, vehicles and smoke; and such other hazards, including business interruptions, insurance covering loss of rents, revenues, income, profits or proceeds from leases, franchises, concessions or licenses of or on any part of the Premises, as Mortgagee may from time to time require; all in amounts approved by Mortgagee not exceeding one hundred percent (100%) of the full insurable value; all insurance herein provided