

stallment of which is due and payable on June 30, 1990, if not sooner paid, hereinafter called the "Note"; (ii) any and all renewal or renewals, extension or extensions, modification or modifications of the Note, and substitution or substitutions for the Note, either in whole or in part; (iii) all advances, if any, made by Mortgagee pursuant to the terms of this mortgage and security agreement; (iv) all expenses incident to the collection of the indebtedness secured by this mortgage and security agreement; (v) all duties and obligations of Mortgagor under this mortgage and security agreement; and (vi) all indebtedness now or hereafter owing by Mortgagor to Mortgagee, however or whenever created, incurred, arising or evidenced, whether direct or indirect, primary or secondary, joint or several, absolute or contingent, or due or to become due, and any and all renewal or renewals, extension or extensions, modification or modifications of said indebtedness, and substitution or substitutions for said indebtedness, either in whole or in part. The obligations and indebtedness which this mortgage and security agreement is given to secure are hereinafter sometimes collectively called the "Indebtedness". This mortgage and security agreement is hereinafter sometimes called this Mortgage.

MORTGAGEE HAS AGREED TO LEND, and has earmarked for the benefit of Mortgagor, the principal amount of Two Million Five Hundred Thousand and No/100 Dollars (\$2,500,000.00), which Mortgagee shall advance to Mortgagor from time to time in installments pursuant to, and subject to the terms and conditions of, the loan agreement of even date herewith, between Mortgagor and Mortgagee, which is hereinafter called the "Loan Agreement" and which is incorporated herein by reference.

WITH RESPECT TO the portion of the Property described as Tract II on Exhibit "A" hereto, but only with respect to such portion of the Property, this Mortgage is a second priority mortgage, and is subject and inferior in terms of priority to that certain Purchase Money Mortgage of Real Estate dated August 19, 1983, from Mortgagor as "mortgagor" to Frank T. Neves as "mortgagee", and recorded in Real Estate Book 1624, page 398, Greenville County, South Carolina records (hereinafter called the "Prior Mortgage"). Any default or other failure to comply fully with any provision of the Prior Mortgage shall constitute an event of default under this Mortgage. Mortgagee shall determine, in Mortgagee's judgment, whether any default or other failure to comply with any provision of the Prior Mortgage exists at any time. In the event Mortgagee determines that a default or other failure to comply with any provision of the Prior Mortgage exists, Mortgagee may, at Mortgagee's election at any time thereafter, take any such action, advance or pay any money or perform any act which Mortgagee considers necessary or appropriate to relieve or to cure any such default or failure, and all money so advanced or paid and all expenses incurred by Mortgagee in connection with any such action or performance shall be become part of the Indebtedness, shall be secured by this Mortgage, shall be payable by Mortgagor to Mortgagee upon demand by Mortgagee and shall bear interest from the date advanced, paid or incurred at the rate per annum two (2) percentage points in excess of the highest rate of interest then being charged with respect to any part of the Indebtedness. Mortgagor shall not hereafter borrow, incur or permit to be incurred in any manner any indebtedness which would be secured by the Prior Mortgage, other than interest which