

accrues prior to default on the outstanding principal balance secured thereby on the date hereof. Mortgagor hereby transfers and assigns to Mortgagee any and all proceeds, in excess of the amount required to satisfy the indebtedness secured by the Prior Mortgage, which may be or become payable by reason of foreclosure under the Prior Mortgage. Mortgagor further authorizes, directs and instructs that any and all such proceeds be paid directly to Mortgagee and not to Mortgagor, up to the full extent required to satisfy the Indebtedness, and Mortgagor hereby releases and relinquishes any and all right, title, interest and claims in and to such proceeds to that extent.

THIS MORTGAGE is being executed in duplicate original counterparts, one of which shall be recorded in the Greenville County, South Carolina records and the other of which shall be recorded in the Anderson County, South Carolina records. Each counterpart shall be deemed an original, and both counterparts together shall constitute one and the same instrument.

ARTICLE I

COVENANTS OF MORTGAGOR

1.01 Junior Encumbrances. Without the prior written consent of Mortgagee, Mortgagor shall not create or permit to exist any liens or encumbrances on the Premises which are junior and inferior in terms of priority to this Mortgage.

1.02 Payments by Mortgagor. Mortgagor shall pay, when due and payable: (i) the Indebtedness in accordance with the terms and conditions of the instruments evidencing the same; (ii) all taxes, all assessments, general or special, and all other charges levied or imposed upon or assessed or placed or made against the Premises, this Mortgage, the Note or the Indebtedness or any interest of Mortgagee in the Premises, this Mortgage, the Note or the Indebtedness; (iii) premiums on policies of fire and casualty insurance covering the Premises required by this Mortgage or now or hereafter required by Mortgagee; (iv) premiums on all life insurance policies now or hereafter pledged as collateral for the Indebtedness or any part thereof; (v) premiums on all liability, rental, rental value, business interruption mortgage and flood insurance policies required by this Mortgage or now or hereafter required by Mortgagee in connection with the Premises or the Indebtedness or any part of either; and (vi) all ground rents, lease rentals and other payments respecting the Premises payable by Mortgagor. Mortgagor shall promptly deliver to Mortgagee, upon request by Mortgagee, receipts showing payment in full of all of the foregoing items, other than the Indebtedness. In the event of the passage of any state, federal, municipal or other governmental law, order, rule or regulation, subsequent to the date hereof, in any manner changing or modifying the laws in force governing the taxation of the Indebtedness or the manner of collecting such taxes so as to adversely affect Mortgagee, Mortgagor will promptly pay any such tax on or before the date it is due if, in the opinion of counsel for Mortgagee, Mortgagee is not prohibited by any such law, order, rule or regulation from requiring such payment by Mortgagor. If, in the opinion of counsel for Mortgagee, Mortgagee is prohibited by any such law, order, rule or regulation from requiring such payment by Mortgagor, then, at Mortgagee's option, Mortgagor shall be in default