

ARTICLE II

EVENTS OF DEFAULT

The following shall constitute events of default by Mortgagor hereunder:

2.01 Payment of Indebtedness. If Mortgagor should fail to pay the Indebtedness or any part thereof when and as the same shall become due and payable, whether at the due date thereof or at a date fixed for prepayment or at a date fixed by reason of acceleration of the due date thereof or otherwise.

2.02 Other Payments and Terms. If Mortgagor should fail to make any payment (other than on the Indebtedness) required hereunder, or if Mortgagor should fail fully and completely to perform its duties and obligations under, or should violate or breach or fail fully and completely to observe, satisfy or comply with any of the terms, covenants, conditions, agreements, requirements, restrictions or provisions set forth in, this Mortgage or any other instrument, document, agreement, letter or other writing now or hereafter evidencing or securing the Indebtedness or any portion thereof, or heretofore, concurrently herewith or in the future executed by Mortgagor in favor of Mortgagee in connection with any transaction which resulted in the Indebtedness or any part thereof, including, without limiting the generality of the foregoing, the Loan Agreement and the Note.

2.03 False Statements. If any certificate, representation, warranty, statement or other writing made herein or furnished to Mortgagee by or on behalf of Mortgagor in connection with any transaction which resulted in the Indebtedness or any part thereof should be false, untrue, incomplete or misleading in any respect as of the date made.

2.04 Seizure or Levy. If the Premises or any part thereof should be seized or levied upon under legal process or a receiver should be appointed for the Premises or any part thereof.

2.05 Liens. If any Federal tax lien or any claim of lien for labor or services performed or rendered or alleged to have been performed or rendered, or for materials supplied or furnished or alleged to have been supplied or furnished, or for architectural or engineering services performed or rendered or alleged to have been performed or rendered, in connection with the improvement of or with respect to the Premises should be filed of record against Mortgagor or the Premises and not be removed from record by payment or posting of bond within thirty (30) days from the date of such filing.

2.06 Priority Claim. If any claim of priority over this Mortgage, except for the Prior Mortgage, should be asserted in any legal or equitable proceeding, and not be dismissed with prejudice within sixty (60) days after the filing thereof.

2.07 Insolvency or Bankruptcy. If Mortgagor becomes insolvent as defined in the South Carolina Uniform Commercial Code or makes an assignment for the benefit of creditors; or if any action is brought by Mortgagor seeking its dissolution or liquidation of its assets or seeking the