

payment or any other Event of Default under the Reimbursement Agreement (an "Event of Default") the Surety at its election may immediately demand payment hereunder of an amount equal to the entire principal amount of the Bonds then outstanding, together with all interest and premium, if any, then due and payable upon the Bonds, plus an amount equal to any additional advances and all other sums paid by the Surety to or on behalf of the Developer and added to the indebtedness secured by the Second Mortgage Documents, which amount shall at once become due and payable and shall bear interest from and after the date of such demand until paid at the Default Rate.

The granting, without notice, of any extension or extensions of time for payment of any sum or sums due hereunder, or under the Reimbursement Agreement or any of the other Second Mortgage Documents or for the performance of any covenant, condition or agreement contained herein or therein, or the granting of any other indulgence, or the taking or releasing or subordinating of any security for the indebtedness evidenced thereby, or any other modification or amendment of this Note or the Reimbursement Agreement or any of the other Second Mortgage Documents will in no way release or discharge the liability of Developer on this Note, whether or not granted or done with the knowledge or consent of Developer.

The Developer and any other party (including, without restricting the generality of the foregoing, any endorsers, sureties and guarantors) hereafter liable for the indebtedness represented by this Note, hereby (a) waive presentment for payment, notice of dishonor, protest and notice of protest, and (b) agree that the time of payment of the indebtedness or any part thereof may be extended from time to time without modifying or releasing the lien or security interests of the Second Mortgage Documents or the liability of the Developer or any other such parties hereunder.

Upon the occurrence of any Event of Default, the Surety may exercise any rights or remedies, in any combination whatsoever, available by operation of law or under the Note, the Reimbursement Agreement, the Second Mortgage or any other of the Second Mortgage Documents, including without limitation the foreclosure and sale of the Mortgage Property or any part thereof and Surety shall be entitled to collect its costs of collection, including reasonable attorneys' fees. Included among the Events of Default permitting such acceleration is a sale or transfer by the Developer of any part or all of the Mortgaged Property, or any interest therein, except as expressly permitted in Section 17 of the Second Mortgage, or a failure by the Developer to make any payment on this Note or under the Reimbursement Agreement at the times specified therein or herein.

The Surety shall not by any act or omission or commission be deemed to waive any of its rights or remedies hereunder or under any of the Second Mortgage Documents unless such waiver be in writing and signed by the Surety, and then only to the extent specifically set forth therein. A waiver of one event shall not be construed as a continuing waiver or as a bar to or waiver of such rights with respect to a subsequent event.

Time is of the essence hereof.

The Borrower agrees that: (i) this instrument and the rights and obligations of all parties hereunder shall be governed by and construed under the substantive laws of the State of South Carolina, without reference to the conflict of laws principles of such state; (ii) the obligation evidenced by this Note is an exempted transaction under the Truth in Lending Act, 15 U.S.C. §1601, et seq.; (iii) the proceeds of the indebtedness evidenced

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