

attached to, contained in, a part of, or used in connection with the Premises or placed on any part thereof, though not attached thereto, and including the trade name, good will and books and records relating to the business operated on the Premises. Mortgagor hereby grants to the Mortgagee a security interest in all of the same, including all of the Mortgagor's present and future "equipment" and "general intangibles" (as said terms are defined in the Uniform Commercial Code of the State of South Carolina) and the Mortgagee shall have, in addition to all rights and remedies provided herein, and in any other agreements, commitments and undertakings made by the Mortgagor to the Mortgagee, all of the rights and remedies of a "secured party" under said Uniform Commercial Code. To the extent permitted under applicable law, this Mortgage shall be deemed to be a "security agreement" (as defined in the aforesaid Uniform Commercial Code). If the lien of this Mortgage is subject to a security interest covering any such personal property, then all of the right, title and interest of the Mortgagor in and to any and all such property is hereby assigned to the Mortgagee, together with the benefits of all deposits and payments now or hereafter made thereon by the Mortgagor.

30. Notwithstanding any other provision contained herein, the following provisions shall control and govern:

(a) Mortgagee, for itself and its successors and assigns, covenants and agrees that all of its rights and powers under this Mortgage are subordinate and subject to the rights of First Federal Savings and Loan Association under that certain Mortgage (the "First Mortgage") dated December 16, 1970, executed by Mortgagee in favor of C. Douglas Wilson & Co., recorded in Mortgage Book 1175, Page 477, R.M.C. Office for Greenville County, South Carolina, transferred to First Federal Savings and Loan Association by assignment dated April 30, 1973, recorded in Mortgage Book 1276, Page 234, aforesaid records, and the rights of the Secretary of Housing and Urban Development under that certain Regulatory Agreement (the "Regulatory Agreement") dated December 16, 1970 by and between Middleton Apartments, Inc. and the Secretary of Housing and Urban Development and recorded in Deed Book 904, Page 419, aforesaid records, and incorporated by referenced in the above-described mortgage.

(b) Mortgagee, for itself and its successors and assigns further covenants and agrees that in the event of the appointment of a receiver or of the appointment of the Mortgagee as mortgagee-in-possession, in any action by the Mortgagee, its successors or assigns, to foreclose the mortgage, no rents, revenue or other income of the Premises collected by the receiver or by the mortgagee-in-possession shall be utilized for the payment of interest, principal or any other charges due and payable under this Mortgage, except from surplus cash, if any, as the term is defined in the Regulatory Agreement; and further, the receiver or mortgagee-in-possession shall operate the Project in accordance with the provisions of the First Mortgage and the Regulatory Agreement.

(c) In the event the Secretary acquires title to the Project by a deed in lieu of foreclosure, the lien of this Third Mortgage will automatically terminate subject to the conditions hereinafter described. Mortgagee may cure a default under the First Mortgage prior to a conveyance by deed in lieu of foreclosure. The Secretary shall give written notice to Mortgagee of a proposed tender in title in the event (1) the Secretary decides to accept a deed in lieu of foreclosure or (2) the Secretary receives notice from the holder of the First Mortgage of its election to accept a deed in lieu of foreclosure. The Secretary will only give such written notice if, at the time of the placing of the subordinate lien against the project, the Secretary receives a copy of an endorsement to the title policy of the Mortgagor or the holder of the First Mortgage which indicates that (1) this Third Mortgage has been recorded; and (2) the Secretary is required to give notice of any proposed election to or tender of a deed in lieu of foreclosure. Such notice shall be given at the address stated

