

of any or all of such obligations required to be paid as to the Property encumbered hereby. If the amount paid to Mortgagee under the provisions of this Paragraph are insufficient to discharge all such obligations of Mortgagor, as the same may become due or delinquent, Mortgagor shall pay to Mortgagee, upon written demand, such additional sums necessary to discharge the same. Mortgagee may pay such obligations either before or after they become due and payable. In the event of a default in the performance of any of the covenants and obligations of this Mortgage, then any balance remaining from monies paid by Mortgagee under the provisions of this Paragraph may, at the option of Mortgagee, be applied to the payment of principal, interest or other obligations secured hereby in lieu of being applied to any of the purposes for which the impound account is established. Any excess over the amount required for such purposes shall be held for future use or applied to any indebtedness hereby secured or refunded to Mortgagor at Mortgagee's option. Mortgagee shall keep all funds received pursuant to this Paragraph 13 in an interest-bearing account, and the interest earned on said account shall become a part of this impound account. Mortgagee shall make such reports of impounds as required by law.

14. Mortgagor shall deliver to Mortgagee, within thirty (30) days following the end of each calendar quarter, an operating report of the Property, which report shall include information and data regarding collected and collectible income, expenses, rents, occupancy and the like of the Property for such quarter. Mortgagor's books and records concerning the Property shall be open to Mortgagee for review and inspection at reasonable times and upon reasonable notice. Mortgagor shall submit to Mortgagee within ninety (90) days after December 31 of each calendar year after the date hereof, without further request from mortgagee, a financial statement, including balance sheets and an operating statement, certified by a Certified Public Accountant.

15. Mortgagor does hereby grant to Mortgagee a security interest in all of the personal property located within the Property, including, but not limited to, the property described in subparagraphs (e) through (k) on Page 2 hereof. This Mortgage shall be self-operative with respect to such property, but Mortgagor agrees to execute and deliver, on demand, and hereby irrevocably appoints Mortgagee the attorney-in-fact of Mortgagor to execute, deliver and, if appropriate, to file with the appropriate filing officer, such Security Agreement, Financing Statement, and other instruments as Mortgagee may request in order to impose the lien hereof more specifically upon such property. If Mortgagee's security interest in any property be subject to a prior security interest covering such property, then in the event of any default hereunder, all of the right, title and interest of Mortgagor in and to any and all deposits thereon are hereby assigned to Mortgagee together with the benefit of any payments now or hereafter made thereon. Mortgagee may be entitled to enforce any indebtedness, obligations or liabilities secured hereby and to exercise all rights and powers hereby conferred, although some or all of the indebtedness, obligations and liabilities secured hereby are now or shall hereafter be otherwise secured. Mortgagee's acceptance of this Mortgage shall not affect or prejudice Mortgagee's right to realize upon or enforce any other security now or hereafter held by Mortgagee.

15.1 Without limiting the generality of the foregoing, at any time after a default hereunder, Mortgagee may proceed as if all of the property described in Paragraph 15 above were real property, or Mortgagee may elect to treat such property, which consists of rights in action or which is property that can be severed from the real property covered hereby without causing structural damage thereto and to dispose of the same as provided in the next succeeding sentence, separate and apart from the sale of real property, the remainder of the Property covered hereby being treated as real property. Should Mortgagee elect to cause any of the Property covered hereby to be disposed of as personal property, as permitted by the foregoing sentence, Mortgagee shall have all the rights and remedies of a secured party under the Uniform Commercial Code of the State of South Carolina. Expenses of retaking, holding, preparing for sale, selling or the like shall include Mortgagee's reasonable attorneys' fees and legal expenses, and upon such default, Mortgagor, upon demand of Mortgagee, shall assemble the property and make it available to Mortgagee at a place reasonably convenient to both parties.

16. Mortgagee, or its agent(s), may at any reasonable business hour(s) enter upon the Property and inspect same for any reason(s), including determination of performance or nonperformance by Mortgagor of its obligations hereunder.

17. The term "Event of Default" or "Default", wherever used in this Mortgage, shall mean any one or more of the following:

17.1 Failure of Mortgagor to pay, within five (5) days of its due date, any installment of principal, interest, escrow or impound deposit or other amount to be paid to Mortgagee and secured by this Mortgage;