

AND, the Mortgagor does hereby bind itself and its successors and assigns to procure or execute any further necessary assurances of title to the said premises, and also to warrant and forever defend all and singular the premises unto the Mortgagee, its successors and assigns, from and against itself and its successors and assigns.

AND IT IS AGREED, by and between the parties hereto, that each and every covenant herein made is predicated upon the condition that any obligation for the payment of money incurred by the Mortgagee shall not create a pecuniary liability of the Mortgagee or a charge upon its general credit or against its taxing powers, but shall be payable solely from the payments derived from the Mortgagor pursuant to the Loan Agreement and nothing in the Bond or in this Mortgage shall be considered as pledging any other funds or assets of the Mortgagee.

AND IT IS AGREED that the within Mortgage shall constitute a Security Agreement under the Uniform Commercial Code as adopted in the State of South Carolina, creating a lien on all of the fixtures and equipment described in II above. Subject to written approval by the Mortgagee, the Mortgagor shall have the right to replace or substitute any of the property covered by the security interest granted on all items described in II above so long as the aggregate value of the personal property and fixtures is not substantially impaired. Mortgagor agrees to execute and deliver on demand such other security agreements, financing statements and other instruments as Mortgagee may reasonably request in order to perfect its security interest or to impose the lien thereof more specifically upon any of the property. Mortgagor agrees to pay Mortgagee's charge, to the maximum amount permitted by law, for any statement by Mortgagee regarding the obligations secured by this Mortgage and Security Agreement requested by Mortgagor or on behalf of Mortgagor. On demand, Mortgagor will promptly pay all costs and expenses of filing financing statements, continuation statements, partial releases, and termination statements deemed necessary or appropriate by Mortgagee to establish and maintain the validity and priority of the security interest of Mortgagee, or any modification thereof, and all costs and expenses of any filing searches reasonably required by Mortgagee. Mortgagee may exercise any or all of the remedies of a secured party available to it under the Uniform Commercial Code (South Carolina) including the right to pursue any deficiency judgments. Ten (10) days' notice by Mortgagee to Mortgagor shall be deemed to be reasonable notice under any provision of the Uniform Commercial Code (South Carolina) requiring such notice; provided, however, that Mortgagee may at its option dispose of the collateral in accordance with Mortgagee's rights and remedies in respect to the real property pursuant to the provisions of this Mortgage and Security Agreement, in lieu of proceeding under the Uniform Commercial Code (South Carolina).

AND IT IS AGREED, by and between the said parties that (a) upon any default being made (i) in the due and punctual payment of any interest on the Note or Bond; (ii) in the due and punctual payment of the principal of the Note or Bond, whether at the stated maturity thereof, or otherwise; or (iii) any payment due under the terms of the Note or Bond; (b) upon the occurrence of a default under the Loan Agreement, this Mortgage, the Note, the Bond or the Bond Ordinance (c) upon the failure of Mortgagor (i) to pay any other sum

0 3 3 5

4328-W-2