

fee is paid during the then applicable Extension Period (or the original term in the case of the first Extension Period). The right and option to extend the term is in addition to and not in substitution of the "force majeure" provisions of the immediately preceding paragraph.

(c) All payments made hereunder shall first be applied to interest and the balance, if any, to principal.

Interest shall be calculated on the basis of a three hundred sixty-five (365) or three hundred sixty-six (366) day year, as the case may be, when determining the maximum legal contract rate, but shall otherwise be based on a three hundred sixty (360) day year.

This Construction Loan Note 2 and the instruments securing it have been executed and delivered in, and their terms and provisions are to be governed and construed by the laws of the State of South Carolina.

This Construction Loan Note 2 may be prepaid in whole or in part at any time without prepayment fee or penalty. If this Construction Loan Note 2 provides for installment payments of principal, prepayment of principal payments shall apply in the inverse order such installment payments are due, applying first to the last principal installment payment due hereunder.

This Construction Loan Note 2 is secured by a lien on certain realty, tangible and/or intangible personal property as described in the documents delivered in connection herewith ("Loan Documents") and by a guaranty agreement of Oxford Development Corporation.

Permitted partial prepayments shall not affect or vary the duty of the undersigned to pay all obligations when due, and they shall not affect or impair the right of the Holder to pursue all remedies available to it hereunder, under any Mortgage or any Security Agreement securing this Construction Loan Note 2, or under any Loan Document delivered in connection with this Construction Loan Note 2.

The undersigned shall pay to the Holder hereof a late charge equal to two percent (2%) of any installment of principal and/or interest not received by the Holder hereof within fifteen (15) days after such installment is due and payable as herein provided.

In no event shall the amount of interest due or payments in the nature of interest payable hereunder exceed the maximum rate of interest allowed to be contracted for by applicable law, as it applies to this Construction Loan Note 2, and in the event any such payment is paid by the undersigned or received by the Holder, then such excess sum shall be credited as a payment of principal, unless the undersigned shall notify the Holder, in writing, that the undersigned elects to have such excess sum returned to it forthwith.

The Holder shall have the optional right to declare the amount of the total unpaid balance hereof, including both principal and accrued interest, to be due and forthwith payable in advance of the maturity date of any sum due or installment, as fixed herein, upon the failure of the undersigned to pay, when due, any of the installments of interest or principal together with late charges, or upon the occurrence of any Event of Default in the Mortgage securing this Construction Loan Note 2 or Construction Loan Note 1 or in any other Security or Loan Document (and any such failure to pay when due or other default is not cured within fifteen (15) days following receipt of written notice thereof by Maker or within the applicable cure period set forth in such other instrument(s), whichever cure period is longer). Upon exercise of this option

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