

3.12 Unless the Mortgagee shall otherwise expressly consent in writing the fee title to the property demised by the lease and the leasehold estate shall not merge but shall remain separate and distinct, notwithstanding the union of such estates, either in the lessor or in the lessee or in a third party by purchase or otherwise.

3.13 It is expressly agreed that the whole of the principal sum and all accrued interest thereof shall become due at the option of the Mortgagee after default in the payment of any installment of principal or after default in the payment of interest or after default of any payment of rent or other charge made payable by the lease or after default in the payment of any tax or assessment after notice and demand by the Mortgagee.

ARTICLE FOUR

LENDING PROVISIONS

4.01 Breach of Loan Agreement and Other Documents Notwithstanding anything to the contrary contained in this Mortgage or in the Note, or in any other instrument securing the loan evidenced by such Note, upon an Event of Default unless cured in accordance with the terms of the Loan Agreement hereinafter referred to, Mortgagee may at its option declare the entire indebtedness secured hereby, and all interest thereon and all advances made by Mortgagee hereunder, immediately due and payable and/or exercise all additional rights accruing to it under this Mortgage in the event of a breach by Mortgagor or any covenant contained in this Mortgage, the Note, or in the Loan Agreement between Mortgagor and Mortgagee, which Loan Agreement is, by this reference, herein incorporated to the same extent and effect as though it were set forth herein in full. The proceeds of the loan secured hereby are to be disbursed by Mortgagee to Mortgagor in accordance with the provisions contained in the Loan Agreement. All advances and indebtedness arising and accruing under the Loan Agreement from time to time shall be secured hereby.

4.02 Partial Foreclosure In the event the Mortgaged Property is comprised of more than one parcel of real property, Mortgagor hereby waives any right to require Mortgagee to foreclose or exercise any of its other remedies against all of the Mortgaged Property as a whole or to require Mortgagee to foreclose or exercise such remedies against one portion of the Mortgaged Property prior to the foreclosure or exercise of said remedies against other portions of the Mortgaged Property.

IN WITNESS WHEREOF, the undersigned have executed this instrument the day and year above first written.

Signed, sealed and delivered in the presence of:

THE LITCHFIELD COMPANY OF SOUTH CAROLINA, INC.

By: A. Foster McKissick
President

ATTEST: Evelyn G. Freeman
Assistant Secretary

WITNESSES
[Signature]
[Signature]

Citizens and Southern National Bank hereby joins in the execution this Mortgage and Security Agreement with the intention that it shall serve as a financing statement pursuant to section 36-9-402 of the Code of Laws of South Carolina 1976.

CITIZENS AND SOUTHERN NATIONAL BANK

By: Patricia S. House
Its Credit Officer
(SEAL)

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