MORTGAGE OF REAL ESTATE

TO ALL WHOM THESE PRESENTS MAY CONCERN:

WHEREAS, Herbert Otto Smith

(hereinafter referred to as Mortgagor) is well and truly indebted unto John L. Petty, III, Susan Petty Harmon, James M. Petty and Joseph T. Petty

(hereinaster referred to as Mortgagee) as evidenced by the Mortgagor's promissory note of even date herewith, the terms of which are incorporated herein by reference, in the sum of Two Hundred Five Thousand Thirty and 12/100-- Dollars (\$ 205,030.12

at Landrum, South Carolina in five (5) equal annual installments of Forty One Thousand Six and 02/100 (\$41,006.02) Dollars, with the first such installment being due and payable One (1) year from date hereof and a like amount each year thereafter until paid in full.

with interest thereon from date at the rate of ten (10%) per centum per annum, to be paid: Annually

WHEREAS, the Mortgagor may hereafter become indebted to the said Mortgagee for such further sums as may be advanced to or for the Mortgagor's account for taxes, insurance premiums, public assessments, repairs, or for any other purposes:

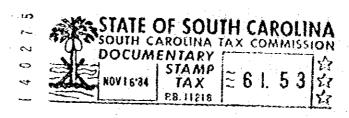
NOW, KNOW ALL MEN, That the Mortgagor, in consideration of the aforesaid debt, and in order to secure the payment thereof, and of any other and further sums for which the Mortgagor may be indebted to the Mortgagee at any time for advances made to or for his accounts by the Mortgagee, and also in consideration of the further sum of Three Dollars (\$3.00) to the Mortgagor in hand well and truly paid by the Mortgagee at and before the sealing and delivery of these presents, the receipt whereof is hereby acknowledged, has granted, bargained, sold and released, and by these presents does grant, bargain, sell and release unto the Mortgagee, its successors and assigns:

"ALL that certain piece, parcel or lot of land, with all improvements thereon, or hereafter constructed thereon, situate, lying and being in the State of South Carolina, County of Greenville, to wit:

All those certain pieces, parcels or tracts of land with all improvements thereon, situate, lying and being in the State of South Carolina, County of Greenville, in the Community of Gowensville, fronting on S. C. Highway 11, Campbell Road and Smith Road, and being more particularly described as follows:

Tract #1, containing 6.89 acres Tract #2, containing 6.57 acres Tract #3, containing 10.64 acres Tract #4, containing 10.07 acres Tract #5, containing 9.76 acres Tract #6, containing 5.03 acres Tract #7, containing 5.48 acres Tract #8, containing 9.05 acres Tract #10, containing 7.69 acres Tract #11, containing 8.44 acres

Tract #12, containing 5.56 acres



Less, however, .08 acres, more or less, from Tract #1 as hereinabove described and further shown upon plat made for Boyce L. Stewart, by James V. Gregory, RLS, dated October 19, 1984 and recorded in the RMC Office for Greenville County.

This being the same property which was conveyed to Mortgagor herein by deed from Mortgagees to be recorded herewith.

Payments to be made to: HARMON ASSOC., INC. P. O. Box 13733 Greensboro, N,C. 27405

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Together with all and singular rights, members, heritaments, and appurtenances to the same belonging in any way incident or appertaining, and of all the rents, issues, and profits which may arise or be had thereform, and including all heating, plumbing, and lighting fixtures now or hereafter attached, connected, or fitted thereto in any manner; it being the intention of the parties hereto that all such fixtures and equipment, other than the usual household furniture, be considered a part of the real estate.

TO HAVE AND TO HOLD, all and singular the said premises unto the Mortgagee, its heirs, successors and assigns, forever.

The Mortgagor covenants that it is lawfully seized of the premises hereinabove described in fee simple absolute, that it has good right and is lawfully authorized to sell, convey or encumbet the same, and that the premises are free and clear of all liens and encumbrances except as provided herein. The Mortgagor further covenants to warrant and forever defend all and singular the said premises unto the Mortgagee forever, from and against the Mortgagor and all persons whomsoever lawfully claiming the same or any part thereof.