

shall constitute a default in the terms and conditions of the above mentioned \$2,000,000.00, \$500,000.00 and \$160,000.00 mortgages hereinabove set forth and designated by book and page, as well as any note which said mortgages shall secure as hereinafter provided.

2. Upon the sale of said 259.55 acres by Mortgagor to Holly Tree Country Club, Inc., and the closing and recording of said \$1,072,500.00 loan by Mortgagee to Holly Tree Country Club, Inc., covering said property, the sum of \$1,072,500.00 shall be credited toward the indebtedness due on this date by Mortgagor to Mortgagee in the following manner:

First, toward payment in full of all principal and interest due on said \$160,000.00 note, dated November 15, 1974.

Secondly, toward payment in full of all principal and interest due on said \$500,000.00 note, dated February 15, 1974, and

Thirdly, toward payment of a portion of the interest and remaining principal due on the \$2,000,000.00 note, dated February 1, 1973,

all of which notes were executed by the Mortgagor to the Mortgagee and are secured by the mortgages hereinabove designated by book and page, as modified. The \$500,000.00 and \$160,000.00 notes hereinabove mentioned shall be deemed and marked paid and satisfied in full and of no future effect, but all mortgages heretofore given as security for said notes, that is to say, the mortgages appearing of record in the RMC Office for Greenville County, S. C., in Mortgage Book 1302, page 389, Mortgage Book 1303, page 517, Mortgage Book 1327, page 727, Mortgage Book 1328, page 161, as modified in Mortgage Book 1352, page 757, shall remain open and outstanding obligations of the Mortgagor, but shall be deemed and are hereby agreed to remain open for the purposes of securing the remaining balance due on the \$2,000,000.00 note, dated February 1, 1973. Furthermore, the mortgages securing said \$2,000,000.00 note, appearing of record in Mortgage Book 1265, page 442 and in Mortgage Book 1279, page 347, shall likewise remain open to secure the remaining balance due on said \$2,000,000.00 note.

3. After application of said \$1,072,500.00 as aforesaid, the interest due on the \$2,000,000.00 note, dated February 1, 1973, shall be and become thereafter for remaining term of said note at the rate of 9.03 per cent per annum until the maturity in full on said note, which is February 1, 1978.

4. The Mortgagor and the Mortgagee have heretofore entered into a Mortgage Release Agreement, dated February 1, 1973, as amended by a First Amendment dated February 15, 1974, and a Second Amendment, dated November 15, 1974, under the terms of which the Mortgagor reserved the right to have released from the lien of all of the above described mortgages certain lots and other properties at certain stipulated amounts, which Mortgage Release Agreement is further amended to provide that all lots in Phase I of Holly Tree Plantation shall be released at a flat release amount of \$7,500.00 each and that all lots in Phase II of Holly Tree Plantation shall be released at a stipulated amount in the sum of \$9,300.00 each. Said Mortgage Release Agreements as aforesaid are further amended to provide that any property sold or conveyed by the Mortgagor to others in an undeveloped state or as raw acreage shall be released from the lien of all of the above mentioned mortgages upon payment by the Mortgagor to the Mortgagee of the sum of \$2,000.00 per acre. Except as herein specifically amended, said Mortgage Release Agreements shall remain in full force and effect.