

Non-Uniform Covenants. Borrower and Lender further covenant and agree as follows:

27. ACCELERATION; REMEDIES. Upon Borrower's breach of any covenant or agreement of Borrower in this Instrument, including, but not limited to, the covenants to pay when due any sums secured by this Instrument, Lender at Lender's option may declare all of the sums secured by this Instrument to be immediately due and payable without further demand and may foreclose this Instrument by judicial proceeding and may invoke any other remedies permitted by applicable law or provided herein. Lender shall be entitled to collect all costs and expenses incurred in pursuing such remedies, including, but not limited to, attorney's fees, costs of documentary evidence, abstracts and title reports, all of which shall be additional sums secured by this Instrument.

28. RELEASE. Upon payment of all sums secured by this Instrument, this Instrument shall become null and void, and Lender shall release this Instrument. Borrower shall pay Lender's reasonable costs incurred in releasing this Instrument.

29. WAIVER OF HOMESTEAD. Borrower hereby waives all right of homestead exemption in the Property.

30. WAIVER OF APPRAISAL. Borrower hereby waives any right of appraisal of the Property. In the event of foreclosure pursuant to paragraph 27 hereof, Lender may, at Lender's option, obtain an appraisal of the Property and any funds expended by Lender for such purpose shall become indebtedness of Borrower to Lender secured by this Instrument.

31. FUTURE ADVANCES. Upon request of Borrower, Lender, at Lender's option so long as this Instrument secures indebtedness held by Lender, may make Future Advances to Borrower. Such Future Advances, with interest thereon, shall be secured by this Instrument when evidenced by promissory notes stating that said notes are secured hereby. At no time shall the principal amount of the indebtedness secured by this Instrument, not including sums advanced in accordance herewith to protect the security of this Instrument, exceed the original amount of the Note ~~(US \$ _____) plus the additional sum of US \$ _____~~

IN WITNESS WHEREOF, Borrower has executed this Instrument or has caused the same to be executed by its representatives thereunto duly authorized.

SCOTLAND OIL COMPANY

By: *Robert O. Casaday* (Seal)

Its: President (Seal)

(Seal)

(Seal)

Signed, sealed and delivered in the presence of:

[Handwritten signatures]

Borrower's Address:

Box 337, Morgan Street

Laurel Hill, North Carolina 28351

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0.80

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