

the rents, issues and profits thereof, which are overdue, due or to become due, and to apply the same, after payment of all necessary charges and expenses on account of the indebtedness secured hereby; and the said rents and profits hereby are assigned to Mortgagee as security for the payment of such indebtedness. Mortgagor, for itself and any subsequent owner of the premises, hereby agrees to pay Mortgagee in advance a reasonable rent for the premises occupied by it, and in default of so doing hereby agrees that it may be dispossessed by the usual legal proceedings, and further agrees that any tenant defaulting in the payment to Mortgagee of any rent likewise may be dispossessed. This covenant shall become effective and may be enforced either with or without any action being brought to foreclose this mortgage and without applying at any time for a receiver of such rents and profits or of the premises.

Such expenses and fees as may be incurred by Mortgagee in the protection of the premises and the maintenance of the lien of this mortgage, including the fees of any attorney employed by Mortgagee in any litigation or proceeding affecting the premises, shall be paid by Mortgagor and the payment of same shall be secured by this mortgage. In case the indebtedness secured hereby is collected by suit or action or this mortgage is foreclosed, or the indebtedness secured hereby is put into the hands of an attorney for collection, suit, action or foreclosure, Mortgagor shall be chargeable with all costs of collection including attorney fees actually incurred, which shall be due and payable at once, with charges and fees together with all costs and expenses, and the payment of same shall be secured by this mortgage and may be recovered in any suit or action hereupon or hereunder.

Any notice or other communication required or permitted to be given hereunder shall be deemed to have been received three (3) days after same is deposited in the United States mail, postage prepaid, registered or certified, return receipt requested, addressed to the parties at the addresses set forth below or at such other addresses as may be substituted by written notice hereunder:

Mortgagor: G & C Motel Associates
c/o William E. Jackson, II
Carolina Services and Real Estate
2414 Ratcliff Road
Raleigh, North Carolina 27607

With copy to: Carroll Eugene Singleton
Buldecon, Inc.
Post Office Box 18665
Raleigh, North Carolina 27619