TOGETHER with all and singular the rights, members, hereditaments and appurtenances to said premises belonging or in anywise appertaining, and all fixtures now or hereafter attached to said premises, all of which fixtures and articles of personal property shall be deemed to be and remain a part of the realty, it being the intent of the parties hereto that all such fixtures and articles of personal property hereafter placed on said premises be deemed a part of the realty.

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

The Mortgagor represents and warrants that said Mortgagor is seized of the above described premises in fee simple, free and clear of all liens and encumbrances except as may be herein stated, that the Mortgagor has the right to convey the same, and that the Mortgagor will forever warrant and defend the said premises unto the Mortgagee and every person whomsoever lawfully claiming or to claim the same or any part thereof.

THE MORTGAGOR COVENANTS AND AGREES AS FOLLOWS:

1. That the Mortgagor will promptly pay the principal and interest on the indebtedness evidenced by said promissory note at the times and in the manner therein provided.

2. That this mortgage will secure the Mortgagee for any additional sums which may be advanced hereafter at the option of the Mortgagee for the payment of taxes, or public assessments, hazard insurance premiums, or any other sums which may be paid by the Mortgagee pursuant to the provisions of this mortgage, and also for any loans or advances that may hereafter be made by the Mortgagee to the Mortgagor under the authority of Sec. 45-55, 1962 Code of Laws of North Carolina, as amended, or similar statutes, such future advances shall bear interest at the same rate or rates as that provided in said note, unless otherwise agreed upon by the parties and shall be payable at the home of the Mortgagee, unless otherwise provided in writing.

3. That Mortgagor will keep the improvements on the mortgaged premises, whether now existing or hereafter erected, insured against loss by fire, windstorm and other hazards in a sum not less than the balance due hereunder at any time, with a company or companies acceptable to the Mortgagee, and Mortgagor does hereby assign the policy or policies of insurance to the Mortgagee and agrees that all such policies shall be held by the Mortgagee during the term of said loan, and shall include loss payable clauses in favor of the Mortgagee, and in the event of loss Mortgagor will give immediate notice thereof to the Mortgagee, by registered mail, and if the Mortgagor at any time fail to keep said premises insured or fail to pay the premiums for such insurance, then the Mortgagee may cause such improvements to be insured in the name of the Mortgagor and reimburse itself for the cost of such insurance, with interest as hereinafter provided.

4. That the Mortgagor will keep all improvements upon the mortgaged premises in good repair, and should Mortgagor fail to do so, the Mortgagee may, at its option, enter upon said premises and make such repairs as are necessary and charge the expense for such repairs to the mortgage debt and collect the same under this mortgage, with interest as hereinafter provided.

5. That the Mortgagee may at any time require the assignment and transfer of any income, profit and rent generated under the indebtedness secured hereby, or a sufficient part thereof to pay the mortgage debt with the Mortgagee as beneficiary, and if the payments are not directly paid, the Mortgagee may pay said payments and any amount so paid shall become a part of the mortgage debt.

6. That Mortgagor agrees to pay all taxes and other public assessments levied against the mortgaged premises on or before the due dates thereof and exhibit the receipts therefor at the request of the Mortgagee, or, at its option, pay the same and charge the amount so paid to the mortgage debt and collect the same under this mortgage, with interest as above provided.

7. That if this mortgage secures a construction loan, the Mortgagee covenants that the principal amount of the indebtedness hereby secured shall be disbursed by the Mortgagee in periodic payments as construction progresses in accordance with the terms and conditions of a Construction Loan Agreement which is separately executed by and between the parties, a part of this mortgage and incorporated herein by reference.

8. That the Mortgagor will not sell or convey the premises or any interest therein without the prior consent of the Mortgagee, and should the Mortgagor so sell or convey, at the option of the Mortgagee, the entire indebtedness hereby secured to be immediately due and payable and that mortgage may proceed to collect said indebtedness.

9. That should the Mortgagor sell or convey the mortgaged premises by Contract of Sale, Bond for Title or Deed of Conveyance, and the within mortgage indebtedness is not paid in full, the Mortgagee or its successors shall be required to file with the Association an application for an assumption of the mortgage indebtedness plus the transfer fee as required by the Association for processing the assumption. Upon, the Association will assume the Contract of Sale, Bond for Title or Deed of Conveyance, and have the interest rate on the loan balance existing at the time of the assumption, reduced by increasing the interest rate on the said loan balance to the maximum rate per annum permitted to be charged at that time by applicable South Carolina Law, or a lesser increase in interest rate as may be determined by the Association. The Association will notify the Mortgagee of the purchaser of the new interest rate and monthly payments and will send him a new payment schedule. Should the Mortgagor or its successors fail to comply with the provisions of the within paragraph, the Mortgagee, at its option, may declare the indebtedness hereby secured to be immediately due and payable and may institute any proceedings necessary to collect said indebtedness.

10. That should the Mortgagor fail to make payments of principal and interest as due on the promissory note and the same shall be unpaid for a period of thirty (30) days or more, then should Mortgagor fail to comply with and abide by any laws or the charter of the Mortgagee or any regulations set out in this mortgage, the Mortgagee, at its option, may write to the Mortgagor at his last known address giving him thirty (30) days in which to restate the said default and should the Mortgagor fail to restate said default within the said thirty days, the Mortgagee may, at its option, increase the interest rate on the loan balance for the remaining term of the loan or for a lesser term to the maximum rate per annum permitted to be charged at that time by applicable South Carolina Law, or a lesser increase rate as may be determined by the Association. The monthly payments will be adjusted accordingly.

11. That should the Mortgagor fail to make payments of principal and interest as due on the promissory note and should any monthly installment become past due for a period in excess of 15 days, the Mortgagee may collect a "late charge" not to exceed an amount equal to five (5%) per centum of any such past due installment in order to cover the extra expense incident to the handling of such delinquent payments.

12. That the Mortgagor hereby assigns to the Mortgagee, its successors and assigns, all the rents, issues and profits accruing from the mortgaged premises, retaining the right to collect the same so long as the debt hereby secured is not in arrears of payment, but should any part of the principal indebtedness or interest, taxes or fire insurance premiums, be past due and unpaid, the Mortgagee may without notice or further process of law, enter the mortgaged premises, if they shall be occupied by a tenant or tenants, and collect said rents and profits and apply the same to the indebtedness hereby secured, without liability to account for anything more than the rents and profits actually collected, less the cost of collection, and any tenant is authorized upon request by Mortgagee, to make all rental payments direct to the Mortgagee, without liability to the Mortgagor, until notified to the contrary by the Mortgagee, and should said premises at the time of such default be occupied by the Mortgagor, the Mortgagee may apply to the Judge of the Circuit Court or to any Judge of the Court of Common Pleas who shall be resident or presiding in the county aforesaid for the appointment of a receiver with authority to take possession of said premises and collect said rents and profits, applying said rents, after paying the cost of collection, to the mortgage debt without liability to account for anything more than the rents and profits actually collected.

13. That the Mortgagee, at its option, may require the Mortgagor to pay to the Mortgagee, on the first day of each month until the note secured hereby is fully paid, the following sums in addition to the payments of principal and interest provided in said note: a sum equal to the premiums that will next become due and payable on policies of mortgage guaranty insurance, if applicable, fire and other hazard insurance covering the mortgaged property, plus taxes and assessments next due on the mortgaged premises, all as estimated by the Mortgagee, less all sums already paid therefor, divided by the number of months to elapse before one month prior to the date when such premiums, taxes and assessments will be due and payable, such sums to be held by Mortgagee to pay said premiums, taxes and special assessments. Should these payments exceed the amount of payments actually made by the Mortgagor for taxes, assessments or insurance premiums, the excess may be credited by the Mortgagee on subsequent payments to be made by the Mortgagor, if, however, said sums shall be insufficient to make said payments when the same shall become due and payable, the Mortgagor shall pay to the Mortgagee any amounts necessary to make up the deficiency. The Mortgagor further agrees that at the end of ten years from the date hereof, Mortgagee may, at its option, apply for renewal of mortgage guaranty or similar insurance, if applicable, covering the balance then remaining due on the mortgage debt, and the Mortgagor may, at its option, pay the single premium required for the remaining years of the term, or the Mortgagee may pay such premium and add the same to the mortgage debt, in which event the Mortgagor shall repay to Mortgagee such premium payment, with interest, at the rate specified in said promissory note, in equal monthly installments over the remaining payment period.

4328 RV.2