

THIS MORTGAGE AND SECURITY AGREEMENT dated as of November 1, 1982 (the "Mortgage") between NHE/SOUTH CAROLINA, INC., a corporation organized and existing under the laws of the State of South Carolina ("Company"), and FIRST TENNESSEE BANK N.A. MEMPHIS, a banking association duly organized and existing under and by virtue of the laws of the United States of America, as trustee ("Trustee");

## WITNESSETH:

That Company in consideration of the issuance by the County of Greenville, South Carolina ("Issuer"), a county duly organized and existing within the State of South Carolina under the laws and Constitution of the State of South Carolina, of its 12-1/4% Health Facilities First Mortgage Revenue Bonds (Hillhaven Project) Series 1982 (the "Series 1982 Bonds") in the aggregate principal amount of \$3,000,000, issued in accordance with the provisions of Title 44, Chapter 7, Article 11, Sections 44-7-1410 et seq., Code of Laws of South Carolina, as amended (the "Act"), and the proceeds from the sale of which are to be loaned to Company to acquire, construct, equip and install certain nursing home facilities pursuant to a Loan Agreement (the "Agreement") dated as of November 1, 1982, between Issuer and Company, and as security for the Series 1982 Bonds, and any and all Additional Bonds, as that term is defined in the Agreement (the Series 1982 Bonds and any and all Additional Bonds are referred to collectively herein as the "Bonds"), does by these presents GRANT, BARGAIN, SELL, CONVEY AND MORTGAGE unto Trustee the real estate described in the attached Exhibit A, together with all fixtures and other property, real and personal, which may integrally belong to, or be or hereafter become an integral part of such real estate, whether attached or detached and the equipment and personal property located thereon and described in Exhibit B attached hereto (which property described on Exhibits A and B is hereinafter collectively referred to as the "Project"), and hereby granting, conveying and mortgaging also all of the easements, servient estates appurtenant thereto, rents, issues, uses, profits and rights to possession of the Project from now until the Bonds secured hereby shall be paid or this mortgage lien and security interest is sooner released pursuant to terms hereinafter provided.

Company hereby covenants with Trustee, or successor in interest, that Company holds that portion of the Project which constitutes real property by title in fee simple, and