

the Mortgagee shall have the right at any time after any such default to enter upon and take possession of said premises and as a mortgagee-in-possession to let the said premises, and receive all of 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 hereby secured; and the said rents and profits are hereby assigned to the Mortgagee as security for the payment of such indebtedness. The Mortgagor for itself and any subsequent owner of the said premises, hereby agrees to pay the 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 the Mortgagee of any rent may be likewise dispossessed. This covenant shall become effective and may be enforced either without or with any action brought to foreclose this Mortgage and without applying at any time for a receiver of such rents or of the mortgaged premises.

Such expenses and fees as may be incurred by Mortgagee in the protection of said premises and the maintenance of the lien of this instrument, including the fees of any attorney employed by the Mortgagee in any litigation or proceeding affecting said premises, shall be paid by the Mortgagor and secured by this instrument. It is further agreed that in case the debt secured by this Mortgage or any part thereof is collected by suit or action, or this Mortgage be foreclosed, or put into the hands of an attorney for collection, suit, action or foreclosure, Mortgagor shall be chargeable with all costs of collection including attorneys' fees actually incurred, which shall be due and payable at once, with charges and fees together with all costs and expenses, and such costs and fees shall be secured hereby and may be recovered in any suit or action hereupon or hereunder.

All notices or other communications 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