

faith by appropriate proceedings; (c) duly pay any rents assigned hereunder superior to the lien of this Mortgage; and upon request will produce the receipts for any or all such payments, and in default thereof Mortgagee may, but assumes no obligation to, after giving 10 days written notice to Mortgagor, pay for and effect the same, and the sums of money so paid for such purposes, with interest thereon at the Default Rate (1% in excess of 110% of the Prime Lending Rate, as defined in the Loan Agreement) from time of payment thereof shall be deemed a part of the indebtedness hereby secured, and shall be payable by Mortgagor to Mortgagee upon demand.

7. Mortgagee shall have the right to declare immediately due and payable any amount paid by it pursuant to Section 6 hereof for any tax, assessment, insurance premium, repair, rent, charge, debt, claim, inspection or with respect to any lien having priority over this Mortgage or over the Assignment and Security Agreement and to foreclose for such amount or for any unpaid principal or interest on the Loans, subject to the continuing lien of this Mortgage for the balance of the mortgage debt not then due, but the Mortgagor shall continue to be liable for the payment of the entire indebtedness until it has been paid in full.

8. Mortgagor, upon 10 days' written request specifying that such request is made pursuant to this paragraph of this Mortgage, will furnish a statement of the amount due or outstanding on the Note and a statement of any offsets, counterclaims or defenses to the payment thereof known to Mortgagor at that time after due investigation.

9. Mortgagor, without the consent of Mortgagee, will not hereafter apply for, or take advantage of, any deduction by reason of any mortgage of the Mortgaged Premises from the taxable value of the Mortgaged Premises and will not claim any credit or deduction from its real estate taxes on account of the principal or interest payable on the Note secured hereby, on account of the payment of any taxes upon the Mortgaged Premises. In the event of the enactment, after the date of this Mortgage, of any law of the State of South Carolina changing in any way the present law as to the taxation of notes or debts secured by mortgages, for state or local purposes, or the manner of collection of any such taxes, as to affect this Mortgage or the Loans secured hereby, Mortgagor shall within 30 days after demand by Mortgagee to Mortgagor make such payments to Mortgagee.

10. If any action or proceeding be commenced, except an action to enforce this Mortgage or to collect the indebtedness secured hereby, to which action or proceeding Mortgagee is made a party and in which it becomes necessary to defend or uphold the lien of this Mortgage, all costs incurred by Mortgagee for the expenses of such litigation (including reasonable counsel fees and expenses) shall, within 10 days after the submission of bills for such costs to Mortgagor, be paid directly to the billing party by Mortgagor, and upon the failure of Mortgagor to make payment thereof within such period, may be paid by Mortgagee, and the sums of money so paid, together with interest thereon at the