

the loan secured hereby are to be disbursed by Mortgagee to Mortgagor in accordance with the provisions contained in the Loan Agreement. All advances and indebtedness arising and accruing under the Loan Agreement from time to time shall be secured hereby.

4.02 Covenants of Guarantors. As a part of the inducement to Mortgagee to make the loan evidenced by the Note, Mortgagor may have caused certain other persons, firms or corporations to enter into certain guaranty agreements with Mortgagee pertaining to the financing and payment for construction of improvements on the Land. In such event, Mortgagor covenants and agrees that such persons, firms or corporations shall fully perform, comply with and abide by such agreements. It is further understood and agreed by Mortgagor that such representation and agreements by the other persons shall constitute, for the purpose of its obligations hereunder, covenants on behalf of Mortgagor.

IN WITNESS WHEREOF, the undersigned have executed this instrument the day and year above first written.

Signed, sealed and delivered in the presence of:

James C. Blakely, Jr.
Dwenda J. Heuer

VILLAGE ASSOCIATES, A SOUTH CAROLINA GENERAL PARTNERSHIP

By its General Partners:

ROSE AND GLENN, A GENERAL PARTNERSHIP

By: *David W. Glenn*
David Glenn
General Partner

By: *Kent Rose*
Kent Rose
General Partner

050

4328-112