

default, may make such payment or perform such act at the expense of Grantor. All sums so paid by Mortgagee and all costs incurred in connection therewith, together with interest thereon at the defaulted interest rate, from the date of payment, shall constitute part of the indebtedness, and shall be paid by Grantor to Mortgagee on demand.

8.3 Cancellation. This Mortgage can be cancelled of record only in accordance with the applicable provisions of the Code of Laws of South Carolina in effect as of the date hereof, and any obligatory requirements contained in any subsequent amendment or revision thereof.

8.9 Indemnification in the Event of Suits. In case the Mortgagee voluntarily or otherwise shall become a party to any suit or legal proceeding to protect the property herein conveyed or to protect the lien of this Mortgage, the Mortgagee shall be saved harmless and shall be reimbursed by the Grantor for any amounts paid, including all reasonable costs, charges and attorney's fees incurred in any such suit or proceeding, and the same shall be secured by this Mortgage and its payment enforced as if it were a part of the original debt.

8.10 Covenants Running With the Land. All covenants contained in the Security Documents shall run with the subject property.

8.11 Financial Statements. Grantor shall furnish to Mortgagee (i) within fifteen (15) days after the end of each month, a statement of income and expenses relating to the subject property for such month, in reasonable detail and certified by the principal financial officer of Grantor; (ii) within ten (10) days after the end of each month, a cumulative statement of income and expenses relating to the subject property through such month, in reasonable detail and certified by the principal financial officer of Grantor; (iii) within ninety (90) days after the end of each fiscal year of Grantor, a statement of profit and loss and of surplus for such fiscal year and a balance sheet as of the end of such year of Grantor, all in reasonable detail and each certified by an independent public accountant acceptable to Mortgagee; and (iv) within ninety (90) days after the end of each fiscal year of the guarantors of the Note, a statement of profit and loss and of surplus for each fiscal year and a balance sheet as of the end of such year of the guarantors, all in reasonable detail and each certified by the respective guarantor.

8.12 Management Agreement. The subject property shall at all times be operated under a management agreement, satisfactory in form and substance to Mortgagee with a professional property management company as may be acceptable to Mortgagee.

8.13 Severability. In case any one or more of the obligations shall be invalid, illegal or unenforceable in any respect, the validity of the remaining obligations shall be in no way affected, prejudiced or disturbed thereby.

8.14 Modification. The Security Documents and the terms of each and all of them may not be changed, waived, discharged or terminated orally, but only by an instrument or instruments in writing signed by the party against which enforcement of the change, waiver, discharge or termination is asserted.

8.15 Funds for Taxes and Insurance. Grantor shall pay to Mortgagee on the day monthly installments of principal and interest are payable under the Note, until the Note is paid in full, a sum (herein "Funds") equal to one-twelfth (1/12) of the yearly taxes and assessments which may attain priority over this Mortgage, plus one-twelfth (1/12) of the yearly premium installments for hazard insurance, and all as reasonably estimated initially and from time to time by Mortgagee on the

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