

that Mortgagor is lawfully seized and possessed of the Mortgaged Property as aforesaid, and has good right to convey the same, that the same is unencumbered except for the Permitted Encumbrances, and that Mortgagor does warrant and will forever defend the title thereto against the claims of all persons whomsoever, except as to the Permitted Encumbrances.

Should the Indebtedness be paid according to the tenor and effect thereof when the same shall become due and payable, and should Mortgagor perform all Obligations in a timely manner, then this Mortgage shall be utterly null and void; otherwise to remain in full force and effect. A certificate or other written statement executed on behalf of Mortgagee stating that the Indebtedness has not been fully discharged shall be sufficient evidence thereof for the purpose of reliance by third parties on such fact.

Article 3

WARRANTIES AND REPRESENTATIONS

Mortgagor hereby unconditionally warrants and represents to Mortgagee as follows (which warranties and representations have been and will be relied upon by Mortgagee in advancing funds to Mortgagor under the Security Documents):

3.1 Organization and Power. If Mortgagor, or any signatory who signs on its behalf, is a corporation, general partnership, limited partnership, joint venture, trust, or other type of business association, as the case may be, it (a) is a corporation duly incorporated or a general partnership, limited partnership, joint venture, trust or other type of business association duly organized, validly existing and in good standing under the laws of the state of its formation or existence, and has complied with all conditions prerequisite to its doing business in the State of South Carolina, and (b) has all requisite power and all governmental certificates of authority, licenses, permits, qualifications and documentation to own, lease and operate its properties and to carry on its business as now being, and as proposed to be, conducted.

3.2 Validity of Loan Instruments. The execution, delivery and performance by Mortgagor of the Security Documents (other than the Guaranty) and the borrowings evidenced by or owing pursuant to the Note and the Loan Agreement (a) if Mortgagor, or any signatory who signs on its behalf, is a corporation, general partnership, limited partnership, joint venture, trust or other type of business association, as the case may be, are within Mortgagor's powers and have been duly authorized by Mortgagor's Board of Directors, shareholders, partners, venturers, trustees or other necessary parties, and all other requisite action for such authorization has been taken; (b) have received all (if any) requisite prior governmental approval in order to be legally binding and enforceable in accordance with the terms thereof; and (c) will not violate, be in conflict with, result in a breach of or constitute (with due notice or lapse of time, or both) a default under any Legal Requirement, or result in the creation or imposition of any lien, charge or encumbrance of any nature whatsoever upon any of Mortgagor's or Guarantor's property or assets, except as contemplated by the provisions of the Security Documents. The Security Documents constitute the legal, valid and binding obligations of Mortgagor, Guarantor and others obligated under the terms of the Security Documents, enforceable in accordance with their respective terms.