

between EES Taghro Associates, a Texas limited partnership, The Equitable Life Assurance Society of The United States and Thomas F. Murray, et al as Trustees of The Equitable Life Mortgage and Realty Investors, dated February 19, 1974, recorded March 13, 1974, in Book 1304, page 227, RMC Office for Greenville County, S.C., (which mortgage as assumed, assigned and modified is hereinafter referred to as the "Senior Mortgage").

Mortgage dated September 20, 1984 from AGS Colonial Villa Associates to Albert G. Schmerge, Jr. and Albert G. Schmerge III to be recorded immediately prior hereto in said RMC Office securing a promissory note (which note is also a "Senior Note" or the "AGS Note" and which mortgage is also a "Senior Mortgage" or the "AGS Mortgage").

2. The certificate of occupancy will not be amended without the prior consent of Mortgagee.

3. Mortgagor warrants that it owns and does not lease any of the fixtures, machinery, appliances, or other equipment used in connection with or the operation of the Improvements.

4a. Mortgagor shall, subject to the provisions of subparagraph b of this Paragraph, pay promptly, when and as due, and shall promptly exhibit to Mortgagee receipts for the payment of, all taxes, assessments, rates, dues, charges, fees, levies, fines, impositions, liabilities, obligations and encumbrances of every kind whatsoever now or hereafter imposed, levied or assessed upon or against the Mortgaged Property or any part thereof, or upon or against this Mortgage or the indebtedness or other sums secured hereby, or upon or against the interest of Mortgagee in the Mortgaged Property, as well as all income taxes, assessments and other governmental charges levied and imposed by the United States of America or any state, county, municipality, borough or other taxing authority upon or against Mortgagor (but not Mortgagee) or in respect of the Mortgaged Property or any part thereof, and any charge which, if unpaid, would become a lien or charge upon the Mortgaged Property prior to or equal to the lien of this Mortgage before they become delinquent and before any interest attaches or any penalty is incurred. Notwithstanding the foregoing, Mortgagor shall have the right in good faith, to challenge any such tax, assessment, fee, etc., provided that (i) Mortgagor deposits such security therefor as Mortgagee may reasonably require, (ii) the holder of each Senior Mortgage consents thereto, and (iii) if any such challenge is unsuccessful, Mortgagor shall promptly pay such tax, assessment, fee, etc., together with any penalties, interest or fines thereon.

b. Mortgagor shall deposit with Mortgagee on the date monthly installments are required on the Note, in addition to making the required payments of interest or interest and principal, as the case may be, until the Note is fully paid, an amount ("impounds") equal to one-twelfth (1/12) of the yearly taxes, assessments, water charges and sewer rents as reasonably estimated by Mortgagee to be sufficient to