

together with interest thereon from date of payment of twelve per cent (12%) per annum, and any such sum and the interest thereon shall be immediately due and payable, and shall be secured hereby with the benefit of the lien hereby created and of its priority.

8. No sale of the premises hereby mortgaged and no forbearance on the part of the Mortgagee, or its assigns, and no extension of the time for the payment of the debt hereby secured given by the Mortgagee or its assigns, shall operate to release, discharge, modify, change or affect the original liability of the Mortgagor herein, either in whole or in part.

9. That the Mortgagor will pay all sums, the failure to pay which may result in the acquisition of a lien prior or subject to the lien of this mortgage, before such lien may attach.

10. To operate such property at all times as apartment buildings and not to acquire any fixtures, equipment, furnishings or apparatus covered by this mortgage subject to any security interest or other charges or lien taking precedence over this mortgage.

11. Mortgagor will deliver to the Mortgagee a statement of annual income and expenses, in detail satisfactory to the Mortgagee, in connection with the mortgaged premises within sixty (60) days after the end of each fiscal year, certified by a certified public accountant or as otherwise acceptable to the Mortgagee.

12. Mortgagor will assign to the Mortgagee, upon request, as further security for the indebtedness secured hereby, the lessor's interests in any or all leases, and the Mortgagor's interests in all agreements, contracts, licenses and permits affecting the property subject to this mortgage, such assignments to be made by instruments in form satisfactory to the Mortgagee; but no such assignment shall be construed as a consent by the Mortgagee to any lease, agreement, contract, license or permit so assigned, or to impose upon the Mortgagee any obligations with respect thereto.

13. Mortgagor will not cancel any of the leases now or hereafter assigned to Mortgagee pursuant to paragraph 12 above, nor terminate or accept a surrender thereof or reduce the payment of the rent thereunder or modify any of said leases or accept any prepayment of rent therein (except any amount which may be required to be prepaid by the terms of any such lease) without first obtaining, on each occasion, the written approval of the Mortgagee; provided that actions taken in the ordinary course of business by Mortgagor and not the subject of a notice of default from John Hancock Mutual Life Insurance Company shall be exempt from this covenant.

14. To faithfully keep and perform all of the obligations of the landlord under all of the leases now or hereafter assigned to the Mortgagee pursuant to paragraph 12 above and not to permit to accrue to any tenant under any such lease any right to prepaid rent pursuant to the terms of any lease other than the usual prepayment of rent as would result from the acceptance on the first day of each month of the rent for the ensuing month, according to the terms of the various leases.

15. That, at the option of the Mortgagee, this Mortgage and Security Agreement and the indebtedness hereby secured shall become due and payable if the Mortgagor shall convey away said mortgaged premises, or if the title shall become vested in any other person in any manner whatsoever, or if the Mortgagor shall create any lien or encumbrance on said premises without the prior written consent of the Mortgagee; provided, however, that this covenant and provision shall be applicable and effective only so long as the outstanding principal sum of the indebtedness hereby secured exceeds the sum of Two Million (\$2,000,000.00) Dollars.

Mortgagor and Mortgagee do hereby further covenant and agree:

16. The lien of the Mortgage and Security Agreement are subject, junior and subordinate to the lien on the property covered hereby created by Mortgage dated December 1, 1974 filed for record in the RMC Office for Greenville County, South Carolina in Mortgage Book 1332, Page 73 from the Mortgagee herein to John Hancock Mutual Life Insurance Company securing