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12. That the Mortgagor will not, without first obtaining the written consent of the Mortgagee, mortgage or encumber the mortgaged premises or assign or attempt to assign the rents or any part thereof from the said premises.

13. That, at the option of the Mortgagee, the indebtedness secured by this mortgage shall become due and payable if, without the written consent of the Mortgagee, the Mortgagor shall convey away the mortgaged premises, or if the title shall become vested in any other person or entity in any manner whatsoever other than by death of the Mortgagor or by and through a corporate reorganization or merger. It is understood and agreed that in consideration for the consent of the Mortgagee to any transfer of title to the mortgaged premises, the Mortgagee at its option may charge a loan transfer fee and/or require changes in the rate of interest, term of loan, monthly payments of principal and interest and other terms and conditions of this mortgage and/or the note secured hereby.

14. That the Mortgagor will keep Mortgagor's books and records in accordance with generally accepted accounting principles covering the operation of the premises, should the same be income producing, and, on demand of the Mortgagee, deliver to the Mortgagee, within ninety (90) days after the close of each of the Mortgagor's fiscal years, an annual statement of operations for the premises for the preceding fiscal year, prepared and certified by an independent public accountant acceptable to the Mortgagee.

15. That the Mortgagee shall have the right to enter and inspect the mortgaged premises at all reasonable times.

16. That the enactment of any new statute or law by any governmental agency or body, or the legal interpretation of any existing statute or law, that in the judgment of the Mortgagee materially interferes with the mortgaged premises or with the operation of the business in which the Mortgagor is engaged, shall, at the option of the Mortgagor, constitute a default hereunder.

17. That the Mortgagor will execute and deliver to the Mortgagee, on demand, any instrument or instruments necessary to reaffirm, to correct and to perfect the lien of the Mortgagee to the mortgaged premises.

18. That the rights of the Mortgagee arising under the clauses and covenants contained in this mortgage shall be separate, distinct and cumulative and none of them shall be in exclusion of the others; that the invalidity of one or more of the clauses and covenants contained herein shall not in any way affect the validity or enforceability of the remaining provisions herein contained; and that no act of the Mortgagee shall be construed as an election to proceed under any one provision herein to the exclusion of any other provision, anything herein or otherwise to the contrary notwithstanding.

19. It is anticipated that the mortgaged premises will be subjected to a horizontal property regime under the laws of the State of South Carolina and that condominium units will be constructed on such property. Following such construction, individual condominium units, and all rights of condominium units owners related thereto under applicable law and under the master deed to be recorded in order to establish such horizontal property regime, may be released from the lien of this mortgage upon payment of a principal reduction on said note equal to \$75,000.00 for each two bedroom unit and \$90,000.00 for each three bedroom unit.

20. In addition to other events of default described herein, the occurrence of of any one of the following shall likewise constitute an event of default:

- a) A breach or default under any provision of the loan commitment issued by Mortgagee to Mortgagor dated November 11, 1981, revised November 23, 1981.
- b) Insolvency, bankruptcy (whether filed or by adjudication), or any suspension of business of the Mortgagor.
- c) Any default under any other credit accomodation, loan, or loan documents between Mortgagor and Mortgagee or any guarantor or this loan.

It is agreed that the Mortgagor shall hold and enjoy the premises above conveyed until there is a default under this mortgage or in the note secured hereby. It is the true meaning of this instrument that if the Mortgagor shall fully perform all the terms, conditions, and covenants of this mortgage, of the note secured hereby or of any other agreement by the Mortgagor in connection therewith, this mortgage shall be utterly null and void; otherwise to remain in full force and virtue. If there is a default in any of the terms, conditions or covenants of this mortgage, of the note secured hereby, of the loan commitment, security agreement, building or construction loan agreement, or of any other agreement by the Mortgagor in connection therewith, then, at the option of the Mortgagee, all sums owing by the Mortgagor to the Mortgagee shall become immediately due and payable and this mortgage may be foreclosed. Should any legal proceedings be instituted for the foreclosure of this mortgage, or should the Mortgagee become a party to any suit involving this mortgage or the title to the premises described herein, or should the debt secured hereby or any part thereof be placed in the hands of an attorney at law for collection by suit or otherwise, all costs and expenses incurred by the Mortgagee, and a reasonable attorney's fee, shall thereupon become due and payable, immediately or on demand, at the option of the Mortgagee, as a part of the debt secured hereby, and may be recovered and collected hereunder.

The covenants, agreements and conditions herein contained shall bind, and the benefits and advantages shall inure to, the respective heirs, executors, administrators, successors and assigns of the parties hereto. Whenever used, the singular number shall include the plural, the plural the singular, and the use of any gender shall be applicable to all genders.

IN WITNESS WHEREOF, this mortgage has been duly executed by the Mortgagor the 22 day of December, 1981

In the Presence of:

 By: The Academy Partnership (Partner)
 By: _____
 James L. Townsend, Jr., Partner, For Himself and For Jan Bunes, W. Kenneth Bowen, and T. Richard Woods, The Remaining Partners, Pursuant to Power of Attorney

MCDANIEL ASSOCIATES
 By: The Retlah Corporation (Partner)
 By: [Signature] (SEAL)
 By: One Eleven Corporation (Partner) (SEAL)
 By: [Signature] (SEAL)
 By: William H. McCauley (Partner) (SEAL)

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