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YORK COUNTY, SC	
2025031554	MORTGAGE
RECORDING FEES	\$25.00
STATE TAX	\$0.00
COUNTY TAX	\$0.00
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STATE OF SOUTH CAROLINA

COUNTY OF YORK

**MORTGAGE AND SECURITY AGREEMENT
(THIS MORTGAGE SECURES FUTURE ADVANCES)**

(COLLATERAL IS OR INCLUDES FIXTURES)

THIS MORTGAGE, SECURITY AGREEMENT AND FIXTURE FILING ("Mortgage") is made and entered into as of the 17th day of September, 2025, by **PP2054, LLC**, a North Carolina limited liability company, with an office at 1004 Camden Town Pl, Apex, North Carolina 27502 ("Mortgagor"), in favor of **RED FOX CAPITAL MORTGAGE FUND, LP**, a Delaware limited partnership ("Mortgagee"), whose address is PO Box 11065, Charlotte, North Carolina 28220.

WITNESSETH:

WHEREAS, Mortgagor and **BETWEEN THE LAKES, LLC**, a North Carolina limited liability company ("**Lakes Borrower**") and together with Mortgagor, jointly and severally, collectively, the "**Borrower**") is indebted to Mortgagee in the principal sum of up to One Million Three Hundred Thousand and No/100 Dollars (\$1,300,000.00), together with interest thereon, as evidenced by that certain promissory note of even date herewith, executed by Borrower and delivered to Mortgagee, the final payment of which is due on or before the maturity date set forth therein (the "Maturity Date"), unless extended in strict accordance with the terms and provisions of the Note and/or Loan Agreement (each as hereinafter defined), which by reference is made a part hereof to the same extent as though set out in full herein (including all extensions, renewals, modifications, amendments, substitutions, replacements and consolidations thereof and therefor, in whole or in part, the "**Note**");

NOW, THEREFORE, (a) to secure the performance and observance by Borrower of all covenants and conditions contained in the Note, and any renewal, extension or modification thereof, in this Mortgage and in all other instruments securing or executed in connection with the Note, including the terms and conditions of that certain Term Loan Agreement of even date herewith (the "Loan Agreement"), subject to the terms of which funds may be advanced and paid back; and (b) also to secure in accordance with Section 29-3-50, Code of Laws of South Carolina (1976), as amended, all future advances and re-advances that may subsequently be made to Borrower by Mortgagee, evidenced by the aforesaid Note, or any other promissory notes, and all modifications, renewals and extensions thereof (provided, however, that nothing contained herein shall create an obligation on the part of Mortgagee to make future advances or re-advances to Borrower) the maximum amount of all indebtedness outstanding at any one time secured hereby not

to exceed twice the face amount of the Note, plus interest thereon, all charges and expenses of collection incurred by Mortgagee, including court costs, and reasonable attorneys' fees; and (c) also in order to charge the properties, interests and rights hereinafter with such payment, performance and observance; and (d) for and in consideration of the sum of One and no/100 (\$1.00) Dollar paid by Mortgagee to Mortgagor this date, and for other valuable consideration, the receipt of which is acknowledged, Mortgagor does hereby grant, bargain, sell, alien, remise, release, convey, assign, transfer, mortgage, hypothecate, pledge, deliver, set over, warrant and confirm unto Mortgagee, its successors and assigns forever all right, title and interest of Mortgagor in and to:

THE MORTGAGED PROPERTY

(A) THE LAND. All the land located in the County of York, State of South Carolina (the "Land"), described in Exhibit "A" attached hereto and made a part hereof.

(B) THE IMPROVEMENTS. TOGETHER WITH all buildings, structures and improvements of every nature whatsoever now or hereafter situated on the Land, and all fixtures, machinery, appliances, equipment, furniture, and personal property of every nature whatsoever now or hereafter owned by Mortgagor and located in or on, or attached to, or used or intended to be used in connection with or with the operation of, the Land, buildings, structures or other improvements, including all extensions, additions, improvements, betterments, renewals and replacements to any of the foregoing and all of the right, title and interest of Mortgagor in and to any such personal property or fixtures subject to any lien, security interest or claim together with the benefit of any deposits or payments now or hereafter made by Mortgagor or on its behalf (the "Improvements").

(C) EASEMENTS OR OTHER INTERESTS. TOGETHER WITH all easements, rights of way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way belonging, relating or appertaining to any of the property hereinabove described, or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by Mortgagor, and the reversion and reversions, remainder and remainders, rents, issues and profits thereof, and all the estate, right, title, interest, property, possession, claim and demand whatsoever, at law as well as in equity, of Mortgagor of, in and to the same, including but not limited to all judgments, awards of damages and settlements hereafter made resulting from condemnation proceedings or the taking of the property described in paragraphs (A), (B) and (C) hereof or any part thereof under the power of eminent domain, or for any damage (whether caused by such taking or otherwise) to the property described in paragraphs (A), (B), and (C) hereof or any part thereof, or to any rights appurtenant thereto, and all proceeds of any sales or other dispositions of the property described in paragraphs (A), (B) and (C) hereof or any part thereof.

(D) ASSIGNMENTS OF RENTS. TOGETHER WITH all rents, royalties, issues, profits, revenue, income, license fees and other benefits from the property described in paragraphs (A), (B) and (C) hereof to be applied against the indebtedness and other sums secured hereby, provided however, that permission is hereby given to Mortgagor so long as no default has occurred hereunder, to collect, receive, take, use and enjoy such rents, royalties, issues, profits, revenue, income and other benefits as they become due and payable, but not in advance thereof. The foregoing assignment shall be fully operative without any further action on the part of either party and specifically Mortgagee shall be entitled, at its option upon the occurrence of a default hereunder, to all rents, royalties, issues, profits, revenue, income and other benefits from the property described in paragraphs (A), (B) and (C) hereof whether or not Mortgagee takes possession of the property described in paragraphs (A), (B) and (C) hereof. Upon any such default hereunder, the permission hereby given to Mortgagor to collect such rents, royalties, issues, profits, revenue, income and other benefits from the property described in paragraphs (A), (B) and (C) hereof shall terminate and such permission shall not be reinstated upon a cure of the default without Mortgagee's specific consent. Neither the exercise of any rights under this paragraph by Mortgagee nor the application of any such rents, royalties, issues, profits, revenue, income or other benefits to the indebtedness and other sums secured hereby, shall cure or waive any default or notice of default hereunder or invalidate any act done pursuant hereto or to any such notice, but shall be cumulative of all other rights and remedies.

(E) ASSIGNMENT OF LEASES. TOGETHER WITH all right, title and interest of Mortgagor in and to any and all leases now or hereafter on or affecting the property described in paragraphs (A), (B) and (C) hereof, together with all security therefor and all monies payable thereunder, subject, however, to the conditional permission

hereinabove given to Mortgagor to collect the rentals under any such lease. The foregoing assignment of any lease shall not be deemed to impose upon Mortgagee any of the obligations or duties of Mortgagor provided in any such lease, and Mortgagor agrees to fully perform all obligations of the lessor under all such leases. Upon Mortgagee's request, Mortgagor agrees to send to Mortgagee a list of all leases covered by the foregoing assignment and as any such lease shall expire or terminate or as any new lease shall be made, Mortgagor shall so notify Mortgagee in order that at all times Mortgagee shall have a current list of all leases affecting the property described in paragraphs (A), (B) and (C) hereof. Mortgagee shall have the right, at any time and from time to time, to notify any lessee of the rights of Mortgagee as provided by this paragraph. From time to time, upon request of Mortgagee, Mortgagor shall specifically assign to Mortgagee as additional security hereunder, by an instrument in writing in such form as may be approved by Mortgagee, all right, title and interest of Mortgagor in and to any and all leases now or hereafter on or affecting the Mortgaged Property, together with all security therefor and all monies payable thereunder, subject to the conditional permission hereinabove given to Mortgagor to collect the rentals under any such lease. Mortgagor shall also execute and deliver to Mortgagee any notification, financing statement or other document reasonably required by Mortgagee to perfect the foregoing assignment as to any such lease.

This instrument constitutes an absolute and present assignment of the rents, royalties, issues, profits, revenue, income and other benefits from the Mortgaged Property to Mortgagee, subject to the right of the Mortgagor to collect, receive, take, use and enjoy the same as provided hereinabove; provided, further, that the existence or exercise of such right of Mortgagor shall not operate to subordinate this assignment to any subsequent assignment, in whole or in part, by Mortgagor, and such subsequent assignment by Mortgagor shall be subject to the rights of Mortgagee hereunder.

(F) **FIXTURES AND PERSONAL PROPERTY.** TOGETHER WITH a security interest in (i) all personal property and fixtures now or hereafter acquired and affixed to or located on the property described in paragraphs (A), (B) and (C) hereof which, to the fullest extent permitted by law shall be deemed fixtures and a part of the real property, (ii) all articles of personal property now or hereafter acquired and all materials delivered to the property described in paragraphs (A), (B) and (C) hereof (including such property for use in any construction being conducted thereon) and owned or leased by Mortgagor, including, but not limited to, all equipment, furniture, furnishings, inventory, apparatus, machinery, motors, elevators, fittings, radiators, ranges, refrigerators, awnings, shades, screens, blinds, carpeting, office equipment and other furnishings and all plumbing, heating, lighting, cooking, laundry, ventilating, refrigerating, incinerating, air conditioning and sprinkler equipment and fixtures and appurtenances thereto, telephone systems, television and television systems, computer systems and fixtures and appurtenances thereto, and all renewals or replacements thereof or articles in substitution thereof, whether or not the same are or shall be attached to said Land and Improvements in any manner, (iii) all leases of personal property, contract rights, general intangibles, permits, approvals, management contracts, trade names and trademarks, service marks, patents pending, goodwill, utility service bonds and/or cash deposits, site improvement bonds and/or cash deposits, building permits, sewer and water connection and/or tap-in permits, curb-cut permits, utility service agreements, actions and rights in action now or hereafter acquired pertaining to the Mortgaged Property, including all rights to insurance proceeds and condemnation proceeds, (iv) all warranties and guaranties covering any appliances and fixtures now or hereafter located upon the Land or used in connection with the Improvements including without limitation, air-conditioning, heating and other appliances and equipment, (v) all sales agreements, reservation agreements, deposit receipts, escrow agreements, and other ancillary documents and agreements entered into with respect to the sale to any purchasers of any part of the Land, together with all deposits and other proceeds of the sale thereof, (vi) all of the water, sanitary and storm sewer systems now or hereafter owned by Mortgagor which are now or hereafter located by, over and/or upon the Land or the Improvements or any part and parcel thereof, including all water and sewer lines, equipment and appurtenances, (vii) any and all materials (stored on-site or off-site), reserves, deferred payments, deposits or advance payments for materials (stored on-site or off-site), undisbursed loan proceeds, insurance refunds, insurance proceeds, impound accounts, refunds for overpayment of any kind to the extent the same arise out of or occur in connection with the construction of the Improvements, and (viii) all proceeds, products, replacements, additions, substitutions, renewals and accessions of any of the foregoing (collectively, the "Collateral"). Mortgagor (Debtor) hereby grants to Mortgagee (Secured Party) a security interest in all fixtures, rights in action and personal property described herein. This Mortgage is a self-operative security agreement with respect to such property, but Mortgagor agrees to execute and deliver on demand such other security agreements, financing statements and other instruments as Mortgagee may reasonably request in order to perfect its security interest or to impose the lien hereof more specifically upon any of such property. Mortgagor agrees to pay Mortgagee's charge, to the maximum amount permitted by law, for any statement by Mortgagee regarding the obligations secured by this Commercial Mortgage of Real Property and Security Agreement requested by Mortgagor or on behalf of Mortgagor.

On demand, Mortgagor will promptly pay all costs and expenses of filing financing statements, continuation statements, partial releases, and termination statements deemed necessary or appropriate by Mortgagee to establish and maintain the validity and priority of the security interest of Mortgagee, or any modification thereof, and all costs and expenses of any searches reasonably required by Mortgagee. Mortgagee may exercise any or all of the remedies of a secured party available to it under the Uniform Commercial Code (South Carolina) with respect to such property, and it is expressly agreed in accordance with the provisions of the Uniform Commercial Code (South Carolina), 10 days' notice by Mortgagee to Mortgagor shall be deemed to be reasonable notice under any provision of the Uniform Commercial Code (South Carolina) requiring such notice; provided, however, that the Mortgagee may at its option dispose of the collateral in accordance with Mortgagee's rights and remedies in respect to the real property pursuant to the provisions of this Mortgage and Security Agreement, in lieu of proceeding under the Uniform Commercial Code (South Carolina).

Some of the items of property described herein are goods that are or are to become fixtures related to the real estate described herein, and it is intended that, as to those goods, this Mortgage of Real Property and Security Agreement shall be effective as a financing statement filed as a fixture filing from the date of its filing for record in the real estate records of the county in which the Land is located. Information concerning the security interest created by this instrument may be obtained from the Mortgagee, as Secured Party, or the Mortgagor, as Debtor, at the address first shown above.

Everything referred to in paragraphs (A), (B), (C), (D), (E), and (F) hereof and any additional property hereafter acquired by Mortgagor and subject to the lien of this Mortgage or intended to be so is herein referred to as the "Mortgaged Property" or "Property." All capitalized terms used but not defined in this Mortgage shall have the meanings ascribed thereto in the Loan Agreement.

TO HAVE AND TO HOLD the Mortgaged Property and all parts thereof unto Mortgagee, its successors and assigns, to its own proper use and benefit forever, subject, however, to the terms and conditions herein:

PROVIDED, HOWEVER, that if Borrower shall promptly pay or cause to be paid to Mortgagee the principal and interest payable under the Note, at the times and in the manner stipulated therein, herein, and in all other instruments securing the Note, all without any deduction or credit for taxes or other similar charges paid by Borrower, and shall keep, perform and observe all the covenants and promises in the Note, and any renewal, extension or modification thereof, and in this Mortgage and in all other instruments securing the Note, to be kept, performed or observed by Borrower, then this Mortgage, and all the properties, interest and rights hereby granted, conveyed and assigned shall cease and be void, but shall otherwise remain in full force and effect.

Mortgagor covenants and agrees with Mortgagee as follows:

ARTICLE I. REPRESENTATIONS AND WARRANTIES OF MORTGAGOR

Mortgagor represents and warrants to Mortgagee as follows (which warranties and representations survive the delivery of the Note and shall be continuing until the Note is paid in full):

1.01 No Litigation Against Mortgagor or Guarantor. There is no litigation or proceeding pending against the Mortgagor or any guarantors of the Note (the "Guarantor"), nor to the knowledge of the Mortgagor threatened which, if decided adversely to the Mortgagor or Guarantors, would have a material adverse effect upon the financial condition or business of Mortgagor or the Guarantors.

1.02 Mortgagor's Financial Statements. The most recent financial statements of the Mortgagor and Guarantors as heretofore or hereafter delivered to Mortgagee (hereinafter collectively referred to as "Mortgagor's Financial Statements"), fairly reflect, to the best knowledge of the Mortgagor, the financial condition of the Mortgagor and the Guarantor as of the date of the Mortgagor's Financial Statements, and show all known liabilities, direct and contingent, of the Mortgagor and the Guarantors as of the date stated in all material respects. There have been no material changes in the financial condition of the Guarantor since the date of the Mortgagor's Financial Statements delivered to Mortgagee prior to the date hereof.

1.03 Tax Returns and Payment of Taxes. The Mortgagor and the Guarantor have filed or caused to have been filed all required federal, state, local and foreign tax returns and have paid or have caused to have been paid all taxes as shown on such returns or on any assessments received by them to the extent that such taxes have become due.

1.04 Binding Effect of Obligation. The Note, this Mortgage, the guarantees of Guarantor, and all other instruments securing the Note constitute legal, valid and binding obligations of the Mortgagor or the Guarantors, as applicable, and each of them are enforceable against the Mortgagor or the Guarantors, as applicable, in accordance with their respective terms.

1.05 Injury to Properties. Neither the business nor the properties of Mortgagor are affected by any prior or existing fire, explosion, accident, strike, lock-out or other labor disputes, storm, act of God or other casualty (whether or not covered by insurance), adversely affecting such business or the properties or operations of the Mortgagor.

1.06 Inducement for Loan. No information, exhibit or report furnished by the Mortgagor or the Guarantor to the Mortgagee in connection with the negotiation of the loan evidenced by the Note contains any material misstatement of fact or omits to state any material fact or facts necessary to make the statements contained therein not misleading in any material respect.

1.07 Validity and Enforceability of Documents; No Conflicts; No Defaults.

(a) The execution, delivery and performance by the Borrower of the Note, Mortgagor of this Mortgage, the borrowings hereunder, and delivery of the guarantees and other instruments securing the Note have been duly authorized by all requisite corporate, partnership or other action, and do not and will not (1) require any further consent or approval of the directors or shareholders or members or managers or partners (as applicable) of the Mortgagor; (2) violate any provision of law, rule, regulations, order, writ, judgment, injunction, decree, determination or award presently in effect having applicability to the Mortgagor or the Guarantor; (3) result in a breach or constitute default under any indenture, loan or credit agreement, or any other agreement to which the Borrower or the Guarantor is a party or by which they or the properties or entities with which they are involved may be bound or affected; or (4) result in or require the creation or imposition of any mortgage, deed of trust, pledge or liens, security interest or other charge or encumbrance of any nature other than that contemplated hereunder. To the extent approvals of any kind are required, the Mortgagor has obtained; (i) all governmental approvals and authorizations, together with any required registrations or filings with the appropriate governmental authorities; and (ii) all necessary consents, approvals, waivers, notifications of tenants, creditors, lessors, and other nongovernmental persons required in connection with the indebtedness secured hereby.

(b) The Mortgagor and the Guarantor are not in material default under any law, rule, regulation or writ, judgment, injunction, decree, determination or warrant or any indenture agreement, lease or instrument.

(c) Except as provided above, no authorization, consent, approval, license, exemption or filing or a registration with any court, governmental department, commission, board, bureau, agency or instrumentality, is or will be necessary for the valid execution, delivery or performance by the Borrower of the Note, Mortgagor of this Mortgage, and all other instruments and documents securing the Note.

ARTICLE II. COVENANTS OF MORTGAGOR

2.01 Performance of Note, Mortgage, Etc. Borrower shall perform, observe and comply with all provisions hereof, of the Note and of every other instrument securing the Note, and will promptly pay to Mortgagee the principal with interest thereon and all other sums required to be paid by Borrower under the Note and pursuant to the provisions of this Mortgage and of every other instrument securing the Note when payment shall become due, all without deduction or credit for taxes or other similar charges paid by Borrower.

2.02 Performance of Loan Agreement. Borrower shall perform, observe and comply with all provisions of the Loan Agreement, which Loan Agreement is by this reference herein incorporated to the same extent and effect as though it were set forth in full herein.

2.03 Warranty of Title. Mortgagor covenants and warrants that it is seized of an indefeasible estate in fee simple in the Land and real property hereby mortgaged, has good and absolute title to all existing personal property hereby mortgaged or made subject to the security interest hereby created and has good right, full power and lawful authority to convey, mortgage and encumber the same as provided herein; that Mortgagee may at all times peaceably and quietly enter upon, hold, occupy and enjoy the Land and real property hereby mortgaged and every part thereof; that the Land, real property and all existing personal property hereby mortgaged or made subject to the security interest hereby created is free and clear of all liens, security interests, charges and encumbrances whatsoever, except for the lien for the property taxes not yet due and payable and those permitted exceptions set forth in the Title Policy (as defined in the Loan Agreement) for the Property. Mortgagor shall and will make such further assurances to perfect Mortgagee's fee simple title to the Land and the real property hereby mortgaged, and the title to the personal property hereby mortgaged or made subject to the security interest hereby created as may reasonably be required. Mortgagor fully warrants the title to the Land, real property and all existing personal property hereby mortgaged or made subject to the security interest hereby created and every part thereof, and will forever defend the same against the claims of all persons whomsoever.

2.04 Zoning and Environmental Laws.

(a) Mortgagor covenants and warrants that all applicable zoning laws, ordinances and regulations affecting the Land permit the use and occupancy of the Improvements and further covenants and warrants to comply with all such laws, ordinances and regulations, including, but not limited to, all environmental and ecological laws, ordinances and regulations affecting the Mortgaged Property or the use thereof. Without limiting the generality of the foregoing, Mortgagor warrants and represents to Mortgagee after thorough investigation that: (a) the Mortgaged Property described herein is now and at all times hereafter will continue to be in full compliance with all federal, state and local environmental laws and regulations, including, but not limited to, the Comprehensive Environmental Response, Compensation and Liability Act of 1980 ("CERCLA"), Public Law No. 96-510, 94 Stat. 2767, 42 USC 9601 et seq., and the Superfund Amendments and Reauthorization Act of 1986 ("SARA"), Public Law No. 99-499, 100 Stat. 1613, and any amendments thereto, and (b)(i) as of the date hereof there are no hazardous materials, substances, wastes or other environmentally regulated substances (including without limitation, any materials containing asbestos) located on, in or under the Mortgaged Property or used in connection therewith, or (ii) Mortgagor has fully disclosed to Mortgagee in writing the existence, extent and nature of any such hazardous materials, substances, wastes or other environmentally regulated substances, which Mortgagor is legally authorized and empowered to maintain on, in or under the Mortgaged Property or use in connection therewith, and Mortgagor has obtained and will maintain all licenses, permits and approvals required with respect thereto, and is in full compliance with all of the terms, conditions and requirements of such licenses, permits and approvals. Mortgagor further warrants and represents that it will promptly notify Mortgagee of any change in the nature or extent of any hazardous materials, substances or wastes maintained on, in or under the Mortgaged Property or used in connection therewith that constitute a violation of any Hazardous Materials Laws, and will transmit to Mortgagee copies of any citations, orders, notices or other material governmental or other communication received with respect to any other hazardous materials, substances, wastes or other environmentally regulated substances affecting the Mortgaged Property.

(b) Mortgagor shall indemnify and hold Mortgagee harmless from and against any and all damages, penalties, fines, claims, liens, suits, liabilities, costs (including clean-up costs), judgments and expenses (including reasonable attorneys', consultants' or experts' fees and expenses) of every kind and nature suffered by or asserted against Mortgagee as a direct or indirect result of any warranty or representation made by Mortgagor in the preceding paragraph being false or untrue in any material respect or any requirement under any law, regulation or ordinance, local, state or federal, which requires the elimination or removal of any hazardous materials, substances, wastes or other environmentally regulated substances by Mortgagee, Mortgagor or any transferee of Mortgagor or Mortgagee.

(c) Mortgagor's obligations hereunder shall not be limited to any extent by the term of the Note secured hereby, and, as to any act or occurrence prior to payment in full and satisfaction of said Note which

gives rise to liability hereunder shall continue, survive and remain in full force and effect notwithstanding payment in full and satisfaction of said Note and this Mortgage or foreclosure under this Mortgage, or delivery of a deed in lieu of foreclosure.

2.05 Taxes and Liens.

(a) Mortgagor and Borrower shall pay or bond promptly, when and as due, and shall promptly provide copies to Mortgagee of all 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 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. Provided that the priority of this Mortgage is not in any way affected, the Mortgagor may in good faith protest the payment of any tax or assessment which it believes is unwarranted or excessive (the "Contested Sum") and may defer payment of such Contested Sum (or a portion thereof) pending conclusion of such contest if legally permitted to do so and provided Mortgagor provides Mortgagee with written notice of such protest and further provided that Mortgagee's security is not jeopardized in the sole opinion of Mortgagee. Notwithstanding the foregoing, Mortgagor shall immediately upon request of Mortgagee pay any such Contested Sum, regardless of such contest, if in the reasonable opinion of Mortgagee the Mortgaged Property shall be in jeopardy or in danger of being forfeited, foreclosed or sold at public auction for non-payment of taxes.

(b) Mortgagor shall not permit or suffer more than thirty (30) days any mechanics', laborers', materialmen's, statutory or other lien upon any of the Mortgaged Property. Any such mechanics', laborers', materialmen's, statutory or other lien upon the Mortgaged Property shall, within thirty (30) days of the filing thereof, be paid and removed or bonded as more particularly set forth in the Loan Agreement.

(c) Following an Event of Default, Mortgagee may, in its discretion, require Mortgagor and Borrower to deposit with Mortgagee on the first day of each month, in addition to making any required payments of principal and interest, until the Note is fully paid, an amount equal to one-twelfth (1/12) of the yearly taxes and assessments as estimated by Mortgagee to be sufficient to enable Mortgagee to pay at least thirty (30) days before they become due all taxes, assessments and other similar charges against the Mortgaged Property or any part thereof. Such deposits shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of the Mortgagee, and no interest shall be payable in respect thereof. Upon demand by Mortgagee, Mortgagor and Borrower shall deliver to Mortgagee such additional monies as are required to make up any deficiencies in the amounts necessary to enable Mortgagee to pay such taxes, assessments and similar charges. In the Event of a Default under any of the terms, covenants and conditions of the Note, this Mortgage or any other instruments security the Note to be kept, performed or observed by Mortgagor or Borrower, Mortgagee may apply to the reduction of the sums secured hereby, in such manner as Mortgagee shall determine, any amount under this paragraph remaining to Mortgagor or Borrower's credit.

(d) In the event of the enactment of any law by the State of South Carolina, except for a change only in state income tax rates applicable to Mortgagee generally, after the date of this Mortgage, deducting from the value of the Mortgaged Property for the purpose of taxation any lien thereon, or imposing any liability upon Mortgagee, in respect of the indebtedness secured hereby, or changing in any way the laws now in force for the taxation of mortgages, or debts secured by mortgages, or the manner of collection of any such taxes, so as to affect this Mortgage, Mortgagor and Borrower shall pay any such obligation imposed on Mortgagee thereby (unless payment of such by Mortgagor is prohibited by law), and in the event Mortgagor or Borrower fails to pay such obligation within thirty (30) days after written notice by Mortgagee, the whole of the indebtedness secured by this mortgage, together with the interest due thereon, shall, at the option of Mortgagee, become immediately due and payable.

2.06 Insurance.

(a) As more particularly set forth in the Loan Agreement, Borrower shall at its sole expense obtain for, deliver to and maintain for the benefit of Mortgagee, during the life of this Mortgage, insurance policies with replacement cost endorsements, for the full insurable value, insuring the Mortgaged Property against fire, extended coverage and such other insurable hazards, casualties and contingencies as Mortgagee may reasonably require including flood damage, earthquake damage and business interruption or loss of rental income protection, and shall pay promptly, when due, any premiums on such insurance policies and on any renewals thereof. The form of such policies, the coverages provided, and the companies issuing them, shall be reasonably acceptable to Mortgagee. All such policies and renewals thereof shall be held by Mortgagee and shall contain a noncontributory mortgagee endorsement making losses payable to Mortgagee. The coverage under such policies shall be limited to the improvements now or hereafter located on the Mortgaged Property. At least thirty (30) days prior to the expiration date of all such policies, renewals thereof satisfactory to Mortgagee shall be delivered to Mortgagee. Mortgagor and Borrower shall deliver to Mortgagee receipts evidencing the payment of all premiums on such insurance policies and renewals. Delivery of the insurance policies or certificates of insurance and renewals thereof shall constitute an assignment to Mortgagee, as further security, of all unearned premiums. In the event of loss in excess of \$10,000.00, Mortgagor and Borrower will give immediate written notice to Mortgagee and Mortgagee may make proof of loss if not made promptly by Mortgagor or Borrower. In the event of the foreclosure of this Mortgage or any other transfer of title to the Mortgaged Property in extinguishment of the indebtedness and other sums secured hereby, all right, title and interest of Mortgagor and Borrower in and to all insurance policies and renewals thereof then in force shall pass to the purchaser or grantee. Upon an Event of Default, Mortgagee may at any time at its own discretion procure and substitute for any and all of the insurance so held as aforesaid, such other policy or policies of insurance, in like amount, as it may determine without prejudice to its right to foreclose hereunder should Mortgagor or Borrower fail or refuse to keep said premises so insured.

(b) Mortgagor hereby assigns to Mortgagee all proceeds from any insurance policies, and Mortgagee is hereby authorized and empowered in its reasonable discretion to adjust or compromise any loss under any insurance policies on the Mortgaged Property, and to collect and receive the proceeds from any such policy or policies as more particularly set forth in the Loan Agreement. Notwithstanding the foregoing, provided that all of the following conditions are fully satisfied by Mortgagor, Mortgagee shall disburse insurance proceeds for repair and restoration of the Property in accordance with Mortgagee's standard construction loan disbursement conditions and requirements: (1) no Default shall have occurred; (2) the damaged Property can be restored in the reasonable opinion of Mortgagee and construction inspector selected by Mortgagee and at Mortgagor and Borrower's expense, for a cost not to exceed fifty (50%) percent of the amount of the Loan; (3) rental or business interruption insurance is available in amounts sufficient to pay all payments due on the Note during restoration, or Mortgagor or Borrower makes some other provision reasonably satisfactory to Mortgagee for making payments due on the Note during restoration; (4) Mortgagee receives evidence reasonably satisfactory to Mortgagee that the Property as restored will comply with all local zoning and building code restrictions; (5) Mortgagor and Borrower shall have delivered evidence satisfactory to Mortgagee that the damaged Property can be fully repaired and restored at least six (6) months prior to the maturity of the Obligations; (6) the work is performed under a fixed price or guaranteed maximum price contract satisfactory to Mortgagee in substantial accordance with plans and specifications and a budget satisfactory to Mortgagee and in accordance with all requirements of law; (7) Mortgagor and Borrower shall have deposited with Mortgagee for disbursement in the connection with the restoration of the damaged Property the greater of: (A) the applicable deductible under the insurance policies covering the loss (unless Mortgagor pays such deductible directly); or (B) the amount by which the cost of restoration of the damaged Property to substantially the same value, condition and character as existed prior to such damage is estimated by Mortgagee to exceed the net insurance proceeds; (8) Mortgagor and Borrower shall have paid as and when due all of Mortgagee's costs and expenses incurred in connection with the collection and disbursement of insurance proceeds, including inspection, monitoring, engineering and reasonable legal fees, or if not paid on demand, at Mortgagee's option, such costs may be deducted from the disbursements made by Mortgagee or added to the sums secured by the Mortgage; and (9) such other terms and conditions as Mortgagee may reasonably require. If Mortgagee elects to restore the improvements, any balance of such monies after restoration shall, at the option of Mortgagee, either be applied toward the reduction of indebtedness and other sums secured hereby or be paid to Mortgagor or Borrower.

(c) Mortgagor or Borrower shall at its sole expense obtain for, deliver to and maintain for the benefit of Mortgagee, during the life of this Mortgage, liability insurance policies relating to the Mortgaged Property, in such amounts, with such companies and in such form as may be reasonably required by Mortgagee, Mortgagee may require such policies to contain an endorsement, in form reasonably satisfactory to Mortgagee, naming Mortgagee as

an additional insured thereunder. Mortgagor or Borrower shall pay promptly, when due, any premiums on such insurance policies and renewals.

(d) Following an Event of Default, Mortgagee may, in its sole discretion, require Mortgagor and Borrower to deposit with Mortgagee on the first day of each month, in addition to making payments of regular installments of principal and interest, until the Note is fully paid, an amount equal to one-twelfth (1/12) of the yearly premiums for all insurance. Such deposits shall not be, nor be deemed to be, trust funds, but may be commingled with the general funds of Mortgagee, and no interest shall be payable in respect thereof. Upon demand by Mortgagee, Mortgagor and Borrower shall deliver to Mortgagee such additional monies as are necessary to enable Mortgagee to pay such premiums when due. In the Event of a Default under any of the terms, covenants and conditions in the Note, this Mortgage or any other instrument securing the Note to be kept, performed or observed by Mortgagor or Borrower, Mortgagee may apply to the reduction of the sums secured hereby, in such manner as Mortgagee shall determine, any amount under this paragraph remaining to Mortgagor or Borrower's credit and any refund of premium received from cancellation of any insurance policy by Mortgagee upon foreclosure of this Mortgage.

2.07 Condemnation. In the event that by, or pursuant to, proper authority there is taken or condemned the entire Mortgaged Property or any part thereof, under power of eminent domain exercised by any actual or quasi governmental authority or public utility, the Mortgagor hereby assigns to the Mortgagee any and all awards that may be given, made or due the Mortgagor in any proceedings in connection therewith, and the amounts of such awards shall be applied by the Mortgagee to the reduction of the indebtedness secured hereby (except as provided below), and the Mortgagor agrees to execute any and all such further instruments of assignment of any and all such condemnation awards as may be required by the Mortgagee to carry out the purposes of this Section. The Mortgagor shall give written notice of such condemnation proceeding within ten (10) days of receipt of any service or process in connection therewith. In any condemnation proceedings against the Mortgaged Property, the Mortgagee hereby reserves, and the Mortgagor hereby acknowledges, the Mortgagee's right to institute or intervene in any such condemnation proceedings to assert said interest. In the event the entire Mortgaged Property is taken or so much thereof that restoration will in the opinion of Mortgagee cost in excess of Twenty Five Thousand and no/100 (\$25,000.00) Dollars, or in the event restoration costs will not exceed said amount but the conditions of the next sentence are not satisfied, all condemnation proceeds shall, at the option of the Mortgagee, be applied to the Note (first to expenses, then interest, and then principal) and the Note and all other amounts secured hereby shall, at the option of Mortgagee, become immediately due and payable. Notwithstanding any provisions of this Section to the contrary, (i) if the entire Mortgaged Property is not taken and in the opinion of Mortgagee the Mortgaged Property can be restored for a cost not to exceed Twenty Five Thousand and no/100 (\$25,000.00) Dollars; (ii) if in the opinion of Mortgagee the Mortgaged Property as restored will produce sufficient revenue to repay the Note; (iii) if provision satisfactory to Mortgagee is made for making all payments due on the Note during restoration; (iv) if the Mortgagee receives evidence reasonably satisfactory to it and its counsel that the Mortgaged Property as restored will comply with all local zoning ordinances and building restrictions; and (v) if the Mortgagor or Borrower covenants to make the necessary repairs and restoration and provides all additional funds necessary therefor, the Mortgagee will make said award (less expenses incurred in collecting the same) available to the Mortgagor or Borrower for the purpose of such repair and restoration, disbursement of proceeds to be in accordance with Mortgagee's standard construction disbursement procedures. Any excess of the proceeds of the award over the cost of repair and restoration shall be applied to reduce the principal amount of the Note and accrued interest thereon.

2.08 Care of Property.

(a) Mortgagor shall preserve and maintain the Mortgaged Property in good condition and repair. Mortgagor shall not remove, demolish, materially alter or materially change the use of any building, structure or other improvement presently or hereafter on the Land without the prior written consent of Mortgagee, except as provided in the Loan Agreement. Mortgagor shall not permit, commit or suffer any waste, impairment or deterioration of the Mortgaged Property or of any part thereof, and will not take any action which will increase the risk of fire or other hazard to the Mortgaged Property or to any part thereof.

(b) Except as otherwise provided in this Mortgage, or the Loan Agreement, no fixture, personal property or other part of the Mortgaged Property shall be removed, demolished or altered, without the prior written consent of the Mortgagee except as provided herein. Mortgagor may sell or otherwise dispose of, free from lien of this Mortgage, furniture, furnishings, equipment, tools, appliances, machinery, fixtures or appurtenances, subject to

the lien hereof, but only to the extent same may become worn out, undesirable or obsolete and only if they are replaced promptly with similar items of at least equal value which shall, without further action, become subject to the lien of this Mortgage, except as otherwise provided in this Mortgage.

(c) Subject to the rights of tenants, Mortgagee may enter upon and inspect the Mortgaged Property at any reasonable time during the life of this Mortgage upon notice to Mortgagor and upon affording Mortgagor or its designee an opportunity to accompany Mortgagee.

(d) Mortgagor will promptly comply with all present and future laws, ordinances, rules and regulations of any governmental authority affecting the Mortgaged Property or any part thereof.

(e) If all or any material part of the Mortgaged Property shall be lost, damaged or destroyed by fire or any other cause, Mortgagor will give immediate written notice thereof to Mortgagee and, unless Mortgagee elects to apply available insurance proceeds to the Note instead of to restoration as permitted in herein or in the Loan Agreement, Mortgagor shall promptly restore the Mortgaged Property to the equivalent of its original condition regardless of whether or not there shall be sufficient insurance proceeds therefor. If a part of the Mortgaged Property shall be lost, physically damaged or destroyed through condemnation, unless Mortgagee elects to apply condemnation proceeds to the Note instead of to restoration as permitted in Section 2.07 hereof, Mortgagor will promptly restore, repair or alter the remaining property in a manner reasonably satisfactory to Mortgagee, regardless of whether condemnation proceeds are sufficient to pay for such restoration.

(f) If any work required to be performed under this Paragraph involves an estimated expenditure of more than five (5%) per cent of the face amount of the Note, no such work shall be undertaken until plans and specifications therefor, prepared by an architect or engineer reasonably satisfactory to Mortgagee, have been submitted to and approved in writing by Mortgagee, in its reasonable discretion.

2.09 Transfer of Property. Mortgagor shall not sell, convey, transfer, mortgage, lease or further encumber any interest in or any part of the Mortgaged Property, without the prior written consent of Mortgagee in its sole discretion. If any person should obtain any interest in all or any part of the Mortgaged Property pursuant to the execution or enforcement of any lien, security interest or other right, whether superior, equal or subordinate to this Mortgage or the lien hereof, such event shall be deemed to be a transfer by Mortgagor. Mortgagor shall not, without the prior written consent of Mortgagee in its sole discretion, further assign the rents from the Mortgaged Property. If Mortgagor is a corporation, limited liability company, or a general or limited partnership, Mortgagor further covenants that no shareholder, member or partner, as applicable (each, an "Equity Holder"), shall transfer any stock, membership interest or partnership interest in the Mortgagor or permit the transfer of any stock, membership interest or partnership interest in any equity holder without the prior written consent of Mortgagee in its sole discretion. For avoidance of confusions, this prohibition also applies to any transfer of interest, by any other member, shareholder or partner of the Mortgagor or an equity holder or any member, shareholder or partner owning an interest in an entity that owns an interest, as member, shareholder or as a general or limited partner, in Mortgagor or an equity holder. Any such transfer shall be an Event of Default hereunder.

2.10 Further Assurances. At any time and from time to time, upon Mortgagee's request Mortgagor shall make, execute and deliver or cause to be made, executed and delivered to Mortgagee and, where appropriate, shall cause to be recorded or filed and from time to time thereafter to be rerecorded or rerefiled at such time and in such offices and places as shall be deemed reasonably desirable by Mortgagee any and all such further mortgages, instruments of further assurance, certificates and other documents as Mortgagee may consider necessary or desirable in order to effectuate, complete, enlarge in accordance with the Loan Agreement or perfect, or to continue and preserve the obligations of Mortgagor under the Note and this Mortgage, and the lien of this Mortgage as a first and prior lien upon all of the Mortgaged Property, whether now owned or hereafter acquired by Mortgagor. Upon any failure by Mortgagor to do so, Mortgagee may make, execute, record, file, re-record or refile any and all such mortgages, instruments, financing statements, certificates and documents for and in the name of Mortgagor, and Mortgagor hereby irrevocably appoints Mortgagee the agent and limited attorney-in-fact of Mortgagor to do so.

2.11 After Acquired Property. The lien of this Mortgage of Real Property and Security Agreement will automatically attach, without further act, to all after acquired property located in or on, or attached to, or used or intended to be used in connection with or with the operation of, the Mortgaged Property or any part thereof.

2.12 Leases Affecting Mortgaged Property. Mortgagor shall comply with and observe its obligations as landlord under all leases affecting the Mortgaged Property or any part thereof. Mortgagor, if required by Mortgagee, shall furnish promptly to Mortgagee executed copies of all such leases now existing or hereafter created, all of which shall be in form and substance subject to the reasonable approval of Mortgagee. Mortgagor shall not accept payment of rent more than one (1) month in advance without the prior written consent of Mortgagee.

2.13 Expenses. Mortgagor shall pay or reimburse Mortgagee for all costs, charges and expenses, including reasonable attorney's fees and disbursements, and costs incurred or paid by Mortgagee in any action which is threatened, pending or completed or proceeding or in dispute in which Mortgagee is or might be made a party or appears as a party plaintiff or party defendant and which affects or might affect the Note, or the Mortgaged Property or any part thereof, or the interests of Borrower or Mortgagee therein, including but not limited to the foreclosure of this Mortgage, condemnation involving all or part of the Mortgaged Property or any action to protect the security hereof. All costs, charges and expenses so incurred or paid by Mortgagee shall become due and payable immediately, whether or not there be notice, demand, attempt to collect or suit pending. The amounts so incurred or paid by Mortgagee, together with interest thereon at the Default Rate as hereinafter defined from the date incurred until paid by Borrower, shall be added to the indebtedness and secured by the lien of this Mortgage.

2.14 Mortgagee's Performance of Defaults. Following an Event of Default by Mortgagor or Borrower in the payment of any tax, assessments, encumbrance or other imposition, in its obligation to furnish insurance hereunder or in the performance or observance of any other covenant, condition or term in this Mortgage or in any other Loan Document, Mortgagee may at its option and upon notice to Mortgagor perform or observe the same, and all payments made (whether such payments are regular or accelerated payments) and costs and expenses incurred or paid by Mortgagee in connection therewith shall become due and payable immediately by Mortgagor. The amounts so incurred or paid by Mortgagee, together with the interest thereon at the Default Rate as hereinafter defined from the date incurred until paid by Mortgagor, shall be added to the indebtedness and secured by the lien of this Mortgage. Nothing contained herein shall be construed as requiring Mortgagee to advance or expend monies for any purposes mentioned in this paragraph, or for any other purpose. Subject to the rights of tenants, Mortgagee is hereby empowered to enter and to authorize others to enter upon the Mortgaged Property or any part thereof for the purpose of performing or observing any such defaulted covenant, condition or terms, without thereby becoming liable to Mortgagor or any person in possession holding under Mortgagor.

2.15 Books and Records. Mortgagor shall keep and maintain at all times complete, true and accurate books of accounts and records reflecting the results of the operation of the Mortgaged Property. Mortgagor shall furnish to Mortgagee a balance sheet and a statement of income and expenses. Mortgagor shall permit Mortgagee to inspect said books and records upon request. In addition, Borrower will deliver or cause to be delivered to Mortgagee with respect to the Mortgaged Property the financial statements required under the Loan Agreement.

2.16 Estoppel Affidavits. Borrower, within thirty (30) days after written request from Mortgagee, shall furnish a written statement, duly acknowledged, setting forth the unpaid principal of, and interest on, the Note, and any other unpaid sums secured hereby, and whether or not any offsets or defenses exist against such principal and interest or other sums.

2.17 Future Mortgage Modifications. Mortgagee may at any time and from time to time, without notice to, and without consent of, any other person or entity (except for Borrower in the case of a modification of the terms of the Note or this Mortgage), (a) extend or accelerate the time of payment of the indebtedness secured hereby, (b) agree to modify the terms of the Note or this Mortgage, including increasing payments of interest and principal, (c) release any person liable for payment of any indebtedness secured hereby or for performance of any obligation, (d) release all or any part of the security held for the indebtedness secured hereby, or (e) exercise or refrain from exercising or waive any right Mortgagee may have.

Mortgagee shall have such rights and may exercise them without affecting the lien or priority of this Mortgage upon the Mortgaged Property or any part thereof, and without affecting the liability of any guarantor or surety, notwithstanding the fact that guarantors, sureties, junior mortgages, judgments, or other claims or encumbrances may be impaired, prejudiced, or otherwise adversely affected thereby.

2.18 Use of Mortgaged Property. The Mortgaged Property shall not be changed from its current use by Mortgagor without the prior written consent of Mortgagee.

ARTICLE III. SECURITY AGREEMENT

3.01 Security Agreement. This Mortgage shall constitute a security agreement pursuant to the Uniform Commercial Code (South Carolina) ("UCC") for any portion of the Mortgaged Property which, under applicable law, may be subject to a security interest pursuant to the UCC, including the Collateral, and Mortgagor hereby grants to Mortgagee a security interest in the Collateral. Mortgagee shall have all rights and remedies of a secured party under the UCC as well as all other rights and remedies available at law or in equity.

3.02 Additional Covenants and Representations of the Mortgagor. The Mortgagor hereby warrants and represents to and covenants and agrees with the Mortgagee as follows:

(a) The Mortgagor is the owner of and has good and marketable title to the Collateral free from any liens other than the liens arising hereunder and under the other Loan Documents (as defined in the Loan Agreement), and any liens explicitly permitted hereunder, and the Mortgagor will defend the Collateral against all claims and demands of all persons at any time claiming the same or any interest therein.

(b) The address shown at the beginning of this Mortgage is the principal place of business of the Mortgagor. The Mortgagor will not change such principal place of business or any other place of business, or make any change in its legal name or conduct business operations under any fictitious business or trade name without, in each such case (A) giving at least 30 days' prior written notice thereof to the Mortgagee and (B) executing, delivering, filing and recording all necessary financing statements (or amendments thereto) or other instruments and documents in order to maintain the validity, enforceability, priority and perfection of the liens arising hereunder.

(c) Except as explicitly permitted by the Loan Documents, (A) the Mortgagor will not sell, lease, or otherwise dispose of any of the Collateral or any interest therein and (ii) the Mortgagor will not create, assume, incur or suffer to exist any lien of any kind (whether senior, pari passu or subordinate) on the Collateral other than those arising hereunder and under the other Loan Documents.

(d) The Mortgagor will keep the Collateral in good repair, working order and condition and adequately insured at all times in accordance with the provisions of this Mortgage and the other Loan Documents.

(e) The Mortgagor will, without the necessity of any request by the Mortgagee, promptly make, execute, acknowledge and deliver and file and record in all proper offices and places such financing statements, continuation statements, certificates, collateral agreements and other agreements, documents or instruments as may be necessary to perfect or from time to time renew the liens arising hereunder and under the other Loan Documents, including those that may be necessary to perfect such liens in any additional Collateral hereafter acquired by the Mortgagor or in any replacements or proceeds thereof, and the Mortgagor will take all such action as may be deemed necessary or advisable by the Mortgagee to carry out the intent and purposes of the Loan Documents or for assuring and confirming to the Mortgagee the grant and perfection of the liens in the Collateral. To the extent permitted by law, the Mortgagor authorizes and appoints the Mortgagee to execute and file such financing statements, continuation statements, certificates, collateral agreements and other agreements, documents and instruments in its stead, with full power of substitution, as the Mortgagor's limited attorney-in-fact, coupled with an interest. To the extent permitted by law, the Mortgagor further agrees that a carbon, photographic or other reproduction of this Mortgage, or any security agreement, financing statement or continuation statement is sufficient as a financing statement or continuation statement.

3.03 Remedies. In case any one or more Events of Default (as defined herein or in any other Loan Document) under the Note, this Mortgage and/or any Loan Document shall have occurred and be continuing beyond any applicable cure period therefor, the Mortgagee shall have, in addition to all other rights and remedies given to it by this Mortgage, those allowed by law, and the rights and remedies of a secured party under the Uniform Commercial Code as enacted and in effect in the applicable jurisdiction, and, without limiting the generality of the foregoing, the

Mortgagee may immediately, without demand of performance and without other notice (except as set forth in the Note, this Mortgage or other documents executed and delivered pursuant thereto or in connection therewith) or demand whatsoever to Mortgagor, all of which are hereby expressly waived, sell at public or private sale or otherwise realize upon in the county where the Premises are located, or elsewhere, the whole or, from time to time, any part of the Mortgaged Property (including the Collateral), or any interest which Mortgagor may have therein, and, after deducting from the proceeds of sale or other disposition of the Mortgaged Property (including the Collateral) all expenses (including all reasonable expenses for legal services), shall apply the residue of such proceeds towards the satisfaction of the Note and any other sums secured by this Mortgage. The remainder, if any, of the proceeds after satisfaction in full of the Note and any other sums secured by this Mortgage shall be paid to Borrower. Notice of any sale or other disposition shall be given to Mortgagor at least ten (10) days before the time of any intended public sale or the time any intended private sale or other disposition of the Mortgaged Property (including the Collateral) is to be made, which the Mortgagor hereby agrees shall be reasonable notice of sale or other disposition. Mortgagor agrees to assemble, or cause to be assembled, at its own expense, the Mortgaged Property (including the Collateral) at such place or places as the Mortgagee shall designate by written notice. At any such sale or disposition, the Mortgagee may, to the extent permissible under applicable law, purchase the whole or any part of the Mortgaged Property (including the Collateral) sold, free from any right of redemption on the part of Mortgagor, which right is hereby waived and released. Without limiting the generality of any rights and remedies conferred upon the Mortgagee under this Section, the Mortgagee may, to the full extent permitted by law: (a) enter upon the Mortgaged Property, exclude therefrom Mortgagor or any affiliate thereof, and take immediate possession of the Mortgaged Property (including the Collateral), either personally or by means of a receiver appointed by a court of competent jurisdiction, using all lawful, necessary force to do so; (b) use, operate, manage and control the Mortgaged Property (including the Collateral) in any lawful manner; (c) collect and receive all rents, income, revenue, earnings, issues and profits therefrom; and (d) maintain, repair, renovate, alter or remove the Mortgaged Property (including the Collateral) as the Mortgagee may determine in its discretion, and any monies so collected or received by the Mortgagee shall be applied to, or may be accumulated for application upon, satisfaction of the Note or any other sums secured by this Mortgage.

3.04 FINANCING STATEMENT. THIS MORTGAGE CONSTITUTES A SECURITY AGREEMENT AND SERVES AS A FIXTURE FILING IN ACCORDANCE WITH THE UNIFORM COMMERCIAL CODE.

**ARTICLE IV.
DEFAULTS**

4.01 Event of Default. The term "Event of Default", wherever used in this Mortgage, shall mean any one or more of the following events:

(a) Failure to pay in full all principal, interest and other sums due under the Note or any of the other Loan Documents on or before the Maturity Date, or failure to pay any principal, interest or other sums payable under the Note or any of the other Loan Documents when due, in either case, unless cured within any applicable grace or cure period provided in the Note or other Loan Documents.

(b) An Event of Default (as defined in the Loan Agreement) under the Loan Agreement not cured within any applicable cure period provided therein.

(c) A breach by Mortgagor or Borrower of any other covenants, agreements and conditions of this Mortgage or other Loan Documents, not cured within ten (10) days after written notice thereof by Mortgagee; if such breach cannot by its nature be fully cured within said ten (10) day period, Mortgagor and Borrower shall have a reasonable additional period of time, not to exceed an additional thirty (30) days, within which to cure same provided (i) Mortgagor and Borrower diligently and continuously prosecute such cure, and (ii) the granting of such additional curing period does not jeopardize the validity, security and/or priority of any of the Loan Documents.

(d) Failure by Mortgagor or Borrower to duly keep, perform and observe any other covenant, condition or agreement in the Note, this Mortgage, or any other instrument securing the Note or any other instrument collateral to the Note or executed in connection with the sums secured hereby, not cured within any applicable cure period provided in such instrument.

(e) If either (A) Borrower or any Guarantor: (i) files a voluntary petition in bankruptcy, or (ii) is adjudicated as a bankrupt or insolvent, or (iii) files any petition or answer seeking or acquiescing in any reorganization, management, composition, readjustment, liquidation, dissolution or similar relief for itself under any law relating to bankruptcy, insolvency or other relief for debtors that is not dismissed within sixty (60) days of the filing thereof, or (iv) seeks or consents to or acquiesces in the appointment of any trustee, receiver, master or liquidator of itself or of all or any substantial part of the Mortgaged Property or of any or all of the rents, revenues, issues, earnings, profits or income thereof that is not dismissed within sixty (60) days, or (v) makes any general assignment for the benefit of creditors, or (vi) makes an admission in writing of its inability to pay its debts generally as they become due; or (B) a court of competent jurisdiction enters an order, judgment or decree approving a petition filed against Mortgagor or any Guarantor or endorser of the Note, seeking any reorganization, arrangement, composition, readjustment, liquidation, dissolution or similar relief under any present or future federal, state, or other statute, law or regulation relating to bankruptcy, insolvency or other relief for debtors, which order judgment or decree remains unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive) from the date of entry thereof; or (C) any trustee, receiver or liquidator of Borrower or any Guarantor or endorser of the Note, or of all or any substantial part of the Mortgaged Property or of any or all of the rents, revenues, issues, earnings, profits or income thereof, is appointed without the prior written consent of Mortgagee, which appointment shall remain unvacated and unstayed for an aggregate of sixty (60) days (whether or not consecutive).

(f) Default by Mortgagor under any agreement or obligation of Mortgagor affecting any portion of the Mortgaged Property, or any other documents or instruments securing any other indebtedness of Borrower to Mortgagee, if such default is not cured within any cure period permitted therein and if such default permits the holder to cause such obligation to become due prior to its stated maturity and the same could either have a material adverse effect on Borrower or affect the validity, security or priority of any of the Loan Documents. Mortgagor and Borrower shall notify Mortgagee in writing of the occurrence of such default, specifying the nature of such default.

(g) Material breach of any warranty or material untruth of any representation of Borrower contained in the Note, Mortgagor in this Mortgage or any other Loan Document, not cured (if such breach can be cured) within thirty (30) days after written notice thereof by Mortgagee.

(h) If any event, act, condition or occurrence of whatever nature results in a material adverse effect on Mortgagor or Borrower that is not cured within thirty (30) days of such event, act, condition or occurrence.

4.02 Acceleration of Maturity. If an Event of Default shall have occurred, Mortgagee may declare the outstanding principal amount of the Note and the interest accrued thereon, and all other sums secured hereby, to be due and payable immediately, and upon such declaration such principal and interest and other sums shall immediately become and be due and payable without demand or notice.

4.03 Mortgagee's Power of Enforcement. If an Event of Default shall have occurred, Mortgagee may, either with or without entry or taking possession as hereinabove provided or otherwise, proceed by suit or suits at law or in equity or by any other appropriate proceeding or remedy: (a) to enforce payment of the Note or the performance of any term hereof or any other right; (b) to foreclose this Mortgage and to sell, as an entirety or in separate lots or parcels, the Mortgaged Property, under the judgment or decree of a court or courts of competent jurisdiction; and (c) to pursue any other remedy available to it. Mortgagee shall take action either by such proceedings or by the exercise of its powers with respect to entry or taking possession, or both, as the Mortgagee may determine.

4.04 Mortgagee's Right to Enter and Take Possession, Operate and Apply Income.

(a) If an Event of Default shall have occurred, Mortgagor, upon demand of Mortgagee, shall forthwith surrender to Mortgagee the actual possession, and if and to the extent permitted by law, Mortgagee itself, or by such officers or agents as it may appoint, may enter and take possession of all the Mortgaged Property, and may exclude Mortgagor and its agent and employees wholly therefrom, and may have joint access with Mortgagor to the books, papers and accounts of Mortgagor.

(b) If Mortgagor shall for any reason fail to surrender or deliver the Mortgaged Property or any part thereof after Mortgagee's demand, Mortgagee may obtain a judgment or decree conferring on Mortgagee the right to immediate possession or requiring Mortgagor to deliver immediate possession of all or part of the Mortgaged

Property to Mortgagee along with all books, papers and accounts of Mortgagor, to the entry of which judgment or decree Mortgagor hereby specifically consents.

(c) Mortgagor shall pay to Mortgagee, upon demand, all reasonable costs and expenses of obtaining such judgment or decree and reasonable compensation to Mortgagee, its attorneys and agents, and all such costs, expenses and compensation shall, until paid, be secured by the lien of this Mortgage.

(d) Upon every such entering upon or taking of possession, Mortgagee may hold, store, use, operate, manage and control the Mortgaged Property and conduct the business thereof, and, from time to time:

(i) make all necessary and proper maintenance, repairs, replacements, additions, betterments and improvements thereto and thereon and purchase or otherwise acquire additional fixtures, personalty and other property;

(ii) insure or keep the Mortgaged Property insured;

(iii) manage and operate the Mortgaged Property and exercise all the rights and powers of Mortgagor in its name or otherwise, with respect to the same;

(iv) enter into agreements with others to exercise the powers herein granted Mortgagee:

all as Mortgagee in its reasonable judgment from time to time may determine; and Mortgagee may collect and receive all the income, revenues, rents, issues and profits of the same, including those past due as well as those accruing thereafter; and shall apply the monies so received by Mortgagee in such priority as Mortgagee may determine to (1) the reasonable compensation, expenses and disbursements of the agents and attorneys; (2) the cost of insurance, taxes, assessments and other proper charges upon the Mortgaged Property or any part thereof; (3) the deposits for taxes and assessments and insurance premiums due; and (4) the payment of accrued interest on the Note.

Mortgagee shall surrender possession of the Mortgaged Property to Mortgagor only when all that is due upon such interest, tax and insurance deposits and principal installments, and under any of the terms of this Mortgage, shall have been paid and all defaults made good. The same right of taking possession, however, shall exist if any subsequent Event of Default shall occur and be continuing.

4.05 Leases. If an Event of Default shall have occurred, Mortgagee, at its option, is authorized to foreclose this Mortgage subject to the rights of any tenants of the Mortgaged Property, and the failure to make any such tenants parties as defendants to any such foreclosure proceedings and to foreclose their rights will not be, nor be asserted by Mortgagor to be, a defense to any proceedings instituted by Mortgagee to collect the sums secured hereby or to collect any deficiency remaining unpaid after the foreclosure sale of the Mortgaged Property.

4.06 Purchase by Mortgagee. Upon any such foreclosure sale, Mortgagee may bid for and purchase the Mortgaged Property and, upon compliance with the terms of sale, may hold, retain and possess and dispose of such property in its own absolute right without further accountability.

4.07 Application of Indebtedness Toward Purchase Price. Upon any such foreclosure sale, Mortgagee may, if permitted by law, after allowing for the proportion of the total purchase price required to be paid in cash and for the costs and expenses of the sale, compensation and other charges, in paying the purchase price apply any portion of or all sums due to Mortgagee under the Note, this Mortgage or any other instrument securing the Note, in lieu of cash, to the amount which shall, upon distribution of the net proceeds of such sale, be payable thereon.

4.08 Waiver of Appraisement, Valuation, Stay, Extension, and Redemption Laws. Mortgagor agrees to the full extent permitted by law that in case of an Event of Default on its part hereunder, neither Mortgagor nor anyone claiming through or under it shall or will set up, claim or seek to take advantage of any appraisement, valuation, stay, extension or redemption laws now or hereafter in force, in order to prevent or hinder the enforcement or foreclosure of this Mortgage, or the absolute sale of the Mortgaged Property or the final and absolute putting in possession thereof,

immediately after such sale, of the purchasers thereof, and Mortgagor, for itself and all who may at any time claim through or under it, hereby waives, to the full extent that it may lawfully so do, the benefit of all such laws, and any and all right to have the assets comprising the Mortgaged Property marshaled upon any foreclosure of the lien hereof or appraised for the purpose of reducing any deficiency judgment obtained by Mortgagee against Mortgagor and agrees that Mortgagee or any court having jurisdiction to foreclose such lien may sell the Mortgaged Property in part or as an entirety. Mortgagor further waives, to the full extent permitted by law, the right to petition for the appointment of appraisers following foreclosure for the purpose of seeking to reduce a deficiency judgment or for any other reason.

4.09 Receiver. If an Event of Default shall have occurred, Mortgagee, to the extent permitted by law and without regard to the value or occupancy of the security, shall be entitled as a matter of right if it so elects to the appointment of a receiver to enter upon and take possession of the Mortgaged Property and to collect all rents, revenues, issues, income, products and profits thereof and apply the same as the court may direct. The receiver shall have all rights and powers permitted under the laws of the state where the Land is located and such other powers as the court making such appointment shall confer. The expenses, including receiver's fees, attorney's fees, costs and agent's compensation, incurred pursuant to the powers herein contained shall be secured by this Mortgage. The right to enter and take possession of and to manage and operate the Mortgaged Property, and to collect the rents, issues and profits thereof, whether by a receiver or otherwise, shall be cumulative to any other right or remedy hereunder or afforded by law, and may be exercised concurrently therewith or independently thereof. Mortgagee shall be liable to account only for such rents, issues and profits actually received by Mortgagee, whether received pursuant to this paragraph or paragraph 4.04. Notwithstanding the appointment of any receiver or other custodian, Mortgagee shall be entitled as secured party hereunder to the possession and control of any cash, deposits, or instruments at the time held by, or payable or deliverable under the terms of this Mortgage to, Mortgagee.

4.10 Suits to Protect the Mortgaged Property. If an Event of Default shall have occurred, Mortgagee shall have the power and authority to institute and maintain any suits and proceedings as Mortgagee may deem advisable (a) to prevent any impairment of the Mortgaged Property by any acts which may be unlawful or any violation of this Mortgage, (b) to preserve or protect its interest in the Mortgaged Property, and (c) to restrain the enforcement of or compliance with any legislation or other governmental enactment, rule or order that may be unconstitutional or otherwise invalid, if the enforcement of or compliance with such enactment, rule or order might impair the security hereunder or be prejudicial to Mortgagee's interest.

4.11 Proofs of Claim. In the case of any receivership, insolvency, bankruptcy, reorganization, arrangement, adjustment, composition or other judicial proceedings affecting Mortgagor, any person, partnership or corporation guaranteeing or endorsing any of Mortgagor's obligations, its creditors or its property, Mortgagee, to the extent permitted by law, shall be entitled to file such proofs of claim and other documents as may be necessary or advisable in order to have its claims allowed in such proceedings for the entire amount due and payable by Mortgagor under the Note, this Mortgage and any other instrument securing the Note, at the date of the institution of such proceedings, and for any additional amounts which may become due and payable by Mortgagor after such date.

4.12 Borrower to Pay the Note on Any Default in Payment; Application of Monies by Mortgagee.

(a) If an Event of Default shall have occurred with respect to the payment of any amount due under the Note, or if any other Event of Default shall have occurred, this Mortgage or any other instrument securing the Note, then, upon Mortgagee's demand, Borrower shall pay to Mortgagee the whole amount due and payable under the Note and all other sums secured hereby; and if Mortgagor or Borrower shall fail to pay the same forthwith upon such demand, Mortgagee shall be entitled to sue for and to recover judgment for the whole amount so due and unpaid together with costs and expenses including the reasonable compensation, expenses and disbursements of Mortgagee's agents and attorneys incurred in connection with such suit and any appeal in connection therewith. Mortgagee shall be entitled to sue and recover judgment as aforesaid either before, after or during the pendency of any proceedings for the enforcement of this Mortgage, and the right of Mortgagee to recover such judgment shall not be affected by any taking, possession or foreclosure sale hereunder, or by the exercise of any other right, power or remedy for the enforcement of the terms of this Mortgage, or the foreclosure of the lien hereof.

(b) In case of a foreclosure sale of all or any part of the Mortgaged Property and of the application of the proceeds of sale to the payment of the sums secured hereby, Mortgagee shall be entitled to enforce

payment of and to receive all amounts then remaining due and unpaid and to recover judgment for any portion thereof remaining unpaid, with interest.

(c) Mortgagor hereby agrees, to the extent permitted by law, that no recovery of any such judgment by Mortgagee and no attachment or levy of any execution upon any of the Mortgaged Property or any other property shall in any way affect the lien of this Mortgage upon the Mortgaged Property or any part thereof or any lien, rights, powers or remedies of Mortgagee hereunder, but such lien, rights, powers and remedies shall continue unimpaired as before.

(d) Any monies collected or received by Mortgagee under this paragraph shall be applied as follows:

(i) First, to the payment of reasonable compensation, expenses and disbursements of the agents and attorneys; and

(ii) Second, to payment of amounts due and unpaid under the Note, this Mortgage and all other instruments securing the Note.

4.13 Delay or Omission No Waiver. No delay or omission of Mortgagee or of any holder of the Note to exercise any right, power or remedy accruing upon any Event of Default shall exhaust or impair any such right, power or remedy or shall be construed to waive any such Event of Default or to constitute acquiescence therein. Every right, power and remedy given to Mortgagee may be exercised from time to time and as often as may be deemed expedient by Mortgagee.

4.14 No Waiver of One Default to Affect Another. No waiver of any Event of Default hereunder shall extend to or affect any subsequent or any other Event of Default than existing, or impair any rights, powers or remedies consequent thereon. If Mortgagee (a) grants forbearance or an extension of time for the payment of any sums secured hereby; (b) takes other or additional security for the payment thereof; (c) waives or does not exercise any right granted in the Note, this Mortgage or any other instrument securing the Note; (d) releases any part of the Mortgaged Property from the lien of this Mortgage or any other instrument securing the Note; (e) consents to the filing of any map, plat or replat of the Land; (f) consents to the granting of any easement on the Land; or (g) makes or consents to any agreement changing the terms of this Mortgage or subordinating the lien or any charge hereof, no such act or omission shall release, discharge, modify, change or affect the original liability under the Note, this Mortgage or otherwise of Mortgagor, or any subsequent purchaser of the Mortgaged property or any part thereof or any maker, cosigner, endorser, surety or guarantor. No such act or omission shall preclude Mortgagee from exercising any right, power or privilege herein granted or intended to be granted in case of any Event of Default then existing or of any subsequent Event of Default nor, except as otherwise expressly provided in an instrument or instruments executed by Mortgagee, shall the lien of this Mortgage be altered thereby. In the event of the sale or transfer by operation of law or otherwise of all or any part of the Mortgaged Property, Mortgagee, without notice to any person, firm or corporation, is hereby authorized and empowered to deal with any such vendee or transferee with reference to the Mortgaged Property or the indebtedness secured hereby, or with reference to any of the terms or conditions hereof, as fully and to the same extent as it might deal with the original parties hereto and without in any way releasing or discharging any of the liabilities or undertakings hereunder.

4.15 Discontinuance of Proceedings: Position of Parties Restored. If Mortgagee shall have proceeded to enforce any right or remedy under this Mortgage by foreclosure, entry or otherwise, and such proceedings shall have been discontinued or abandoned for any reason, or shall have been determined adversely to Mortgagee, then and in every such case Mortgagor and Mortgagee shall be restored to their former positions and rights hereunder, and all rights, powers and remedies of Mortgagee shall continue as if no such proceeding had occurred or had been taken.

4.16 Remedies Cumulative. No right, power or remedy conferred upon or reserved to Mortgagee by the Note, this Mortgage or any other instrument securing the Note is exclusive of any other right, power or remedy, but each and every such right, power and remedy shall be cumulative and concurrent and shall be in addition to any other right, power and remedy given hereunder or under the Note or any other instrument securing the Note, or now or hereafter existing at law, in equity or by statute.

ARTICLE V. MISCELLANEOUS PROVISIONS

5.01 Successors, and Assigns Included in Parties. Whenever one of the parties hereto is named or referred to herein, the successors and permitted assigns of such party shall be included and all covenants and agreements contained in this Mortgage, by or on behalf of Mortgagor, Borrower or Mortgagee, shall bind and inure to the benefit of their respective successors and permitted assigns, whether so expressed or not.

5.02 Addresses for Notices, Etc. Any notice, report, demand or other instrument authorized or required to be given or furnished under this Mortgage to Mortgagor, Borrower or Mortgagee shall be deemed given or furnished when sent in accordance with the terms of the Loan Agreement.

5.03 Headings. The headings of the articles, sections, paragraphs and subdivisions of this Mortgage are for the convenience of reference only, are not to be considered a part hereof, and shall not limit or expand or otherwise affect any of the terms hereof.

5.04 Invalid Provisions to Affect No Others. In the event that any of the covenants, agreements, terms or provisions contained in the Note, this Mortgage or any other instrument securing the Note shall be invalid, illegal or unenforceable in any respect, the validity of the remaining covenants, agreements, terms or provisions contained herein and in the Note and any other instrument securing the Note shall be in no way affected, prejudiced or disturbed thereby.

5.05 Changes, Etc. Neither this Mortgage nor any term hereof may be changed, waived, discharged or terminated orally, by any action or inaction, but only by an instrument in writing signed by the party against which enforcement of the change, waiver, discharge or termination is sought. Any agreement hereafter made by Mortgagor and Mortgagee relating to this Mortgage shall be superior to the rights of the holder of any intervening lien or encumbrance.

5.06 Governing Law. This Mortgage is made by Mortgagor and accepted by Mortgagee in the State of South Carolina, with reference to the laws of such State, and shall be construed, interpreted, enforced and governed by and in accordance with such laws (excluding the principles thereof governing conflicts of law).

5.07 Default Rate. The Default Rate shall be the rate of interest after default as provided in the Note.

ARTICLE VI. LENDING PROVISIONS

6.01 Breach of Loan Agreement and Other Documents. Notwithstanding anything to the contrary contained in this Mortgage or in the Note, or in any other instrument securing the loan evidenced by such Note, upon an Event of Default, Mortgagee may at its option declare the entire indebtedness secured hereby, and all interest thereon and all advances made by Mortgagee hereunder, immediately due and payable and/or exercise all additional rights accruing to it under this Mortgage in the event of a breach by Mortgagor of any covenant contained in this Mortgage, the Note, or in the Loan Agreement. The proceeds of the loan secured hereby are to be disbursed by Mortgagee to Mortgagor in accordance with the provisions contained in the Loan Agreement. All advances and indebtedness arising and accruing under the Loan Agreement from time to time shall be secured hereby.

6.02 Partial Foreclosure. In the event the Mortgaged Property is comprised of more than one parcel of real property, Mortgagor hereby waives any right to require Mortgagee to foreclose or exercise any of its other remedies against all of the Mortgaged Property as a whole or to require Mortgagee to foreclose or exercise such remedies against one portion of the Mortgaged Property prior to the foreclosure or exercise of said remedies against other portions of the Mortgaged Property.

6.03 Future Advances. Mortgagee, at its option, may make future advances to Borrower in accordance with the Loan Agreement and the Note, provided, however, that nothing contained herein shall constitute an obligation to do so. Such future advances, with interest at the rate payable from time to time on the outstanding principal under

the Note, shall be secured by this Mortgage when evidenced by the Note or by any other instrument indicating that such advances are secured by this Mortgage or when advanced under the terms of this Mortgage. Mortgagee may make such future advances (a) at the request of Mortgagor or Borrower, whether or not there is any obligation to make future advances, or (b) to pay, with or without the consent or request of Mortgagor or Borrower, any amounts which may be due under this Mortgage or under any other mortgage or lien affecting the Mortgaged Property.

6.04 Covenants of Guarantor. As a part of the inducement to Mortgagee to make the Loan evidenced by the Note, Borrower has caused the Guarantor to enter into certain guaranty agreements with Mortgagee pertaining to the financing and payment for construction of improvements on the Land. Mortgagor covenants and agrees that such Guarantor shall fully perform, comply with and abide by such agreements. It is further understood and agreed by Mortgagor that all representations and agreements by Guarantor shall constitute, for the purpose of its obligations hereunder, covenants on behalf of Mortgagor.

6.05 Instrument Under Seal. This Mortgage is intended to be and shall be construed as an instrument under seal.

6.06 Counterparts. This Mortgage may be executed in multiple counterparts, each of which, for all purposes, shall be deemed an original, and all of which together shall constitute one and the same agreement.

6.07 **WAIVER OF JURY TRIAL.** EACH PARTY HERETO WAIVES, TO THE FULL EXTENT PERMITTED BY LAW, THE RIGHT TO A JURY TRIAL IN ANY LITIGATION CONCERNING THIS AGREEMENT OR ANY DEFENSE, CLAIM, COUNTERCLAIM, CLAIM OF SET-OFF OR SIMILAR CLAIM OF ANY NATURE THAT ONE PARTY MAY ASSERT AGAINST THE OTHER.

[SIGNATURE PAGE TO FOLLOW]

[SIGNATURE PAGE 1 OF 2 TO MORTGAGE AND SECURITY AGREEMENT]

WAIVER OF APPRAISAL RIGHTS. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. Pursuant to Section 29-3-680 of the Code of Laws of South Carolina, **THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE MORTGAGED PROPERTY.** The Mortgagor specifically acknowledges and affirms its waiver of appraisal rights as evidenced by its signature below:

IN WITNESS WHEREOF, the undersigned have executed this instrument the day and year above first written.

WITNESS:

Amanda Gnsak
Name: Amanda Gnsak

MORTGAGOR:

PP2054, LLC
a North Carolina limited liability company

WITNESS:

Caroline L Curran
Name: Caroline L Curran

By: George R. Anderson (SEAL)
Name: George R. Anderson
Title: Member Manager

STATE OF North Carolina)
COUNTY OF Wake)

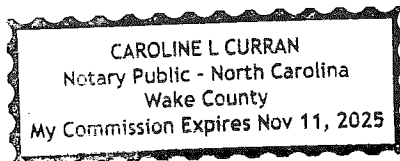
ACKNOWLEDGEMENT

I, Caroline L Curran (Notary Public), do hereby certify that PP2054 LLC
by George R Anderson its Member Manager,
personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 16 day of September, 2025.

(Affix Notary Seal)

Caroline L Curran
Notary Public for North Carolina
My Commission Expires: 11/11/2025



[SIGNATURE PAGE 2 OF 2 TO MORTGAGE AND SECURITY AGREEMENT]

WAIVER OF APPRAISAL RIGHTS. The laws of South Carolina provide that in any real estate foreclosure proceeding a defendant against whom a personal judgment is taken or asked may within thirty days after the sale of the mortgaged property apply to the court for an order of appraisal. The statutory appraisal value as approved by the court would be substituted for the high bid and may decrease the amount of any deficiency owing in connection with the transaction. Pursuant to Section 29-3-680 of the Code of Laws of South Carolina, **THE UNDERSIGNED HEREBY WAIVES AND RELINQUISHES THE STATUTORY APPRAISAL RIGHTS WHICH MEANS THE HIGH BID AT THE JUDICIAL FORECLOSURE SALE WILL BE APPLIED TO THE DEBT REGARDLESS OF ANY APPRAISED VALUE OF THE MORTGAGED PROPERTY.** The Mortgagor specifically acknowledges and affirms its waiver of appraisal rights as evidenced by its signature below:

IN WITNESS WHEREOF, the undersigned have executed this instrument the day and year above first written.

WITNESS:

Amanda Grisak
Name: Amanda Grisak

BORROWER:

BETWEEN THE LAKES, LLC
a North Carolina limited liability company

WITNESS:

Caroline L Curran
Name: Caroline L Curran

By: George R. Anderson (SEAL)
Name: George R. Anderson
Title: member, manager

STATE OF North Carolina
COUNTY OF Wake)

ACKNOWLEDGEMENT

I, Caroline L Curran (Notary Public), do hereby certify that Between the Lakes LLC
by George R Anderson its Member, Manager,
personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this the 16 day of September, 2025.

(Affix Notary Seal)

Caroline L Curran
Notary Public for North Carolina
My Commission Expires: 11/11/2025

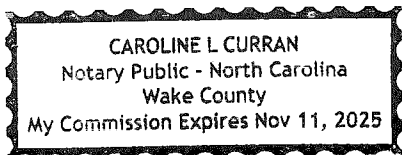


EXHIBIT "A"
LEGAL DESCRIPTION

ALL that certain piece, parcel, or lot of land, together with any improvements thereon—if any, situate, lying, and being in Legacy Point Subdivision, County of York, State of South Carolina, known and designated as **Lot 18** on that certain plat entitled "LEGACY POINT – TRACTS 1-4 FINAL PLAT CONCORD ROAD, YORK COUNTY, SOUTH CAROLINA," by Kevin S. Baucom, PLS, dated January 8, 2025 in the Office of the Register of Deeds for York County, South Carolina on January 13, 2025 in Plat Book 173, at Pages 340-346; said lot having such size, shape dimensions, courses and distances, and buttings and boundings as will by reference to said plat more fully and at large appear.

TMS Number: 583-00-00-100

Derivation: Being the same parcel conveyed to PP2054, LLC, a North Carolina limited liability company by Limited Warranty Deed from Titan Land Partners, LLC, a North Carolina limited liability company recorded concurrently herewith.