

operating costs and expenses thereof, may do so in such amounts and to such persons as either Co-Mortgagee may deem appropriate. Nothing contained herein shall be construed to require the Trustee or the Surety to advance or expend moneys for any purpose mentioned herein, or for any other purpose.

SECTION 16. SECURITY AGREEMENT.

To further secure the Indebtedness Hereby Secured, the Developer is granting a security interest in all property described in the First Security Agreement (including, without limitation, certain of the Mortgaged Property which is more appropriately covered by a "security agreement", within the meaning of the Uniform Commercial Code for the State of South Carolina, than by this Mortgage).

SECTION 17. RESTRICTIONS ON TRANSFER.

The Developer will not cause or permit any sale, transfer or assignment of, or Lien upon, the Mortgaged Property or any interest therein, except:

(a) Sales or other dispositions of fixtures and personal property (herein called "Obsolete Collateral") no longer useful in connection with the operation of the Premises, provided that prior to the sale or other disposition such Obsolete Collateral has been replaced by fixtures or personal property of substantially equal value and utility which is subject to the lien hereof with the same priority as with respect to the Obsolete Collateral;

(b) Sales, transfers and assignments permitted by Paragraph G of Article IV of the Commitment; and

(c) Permitted Encumbrances.

SECTION 18. EVENTS OF DEFAULT.

If one or more of the following events (herein called "Events of Default") shall occur:

(a) If an Event of Default under Section 7.01(a) of the Loan Agreement pertaining to payments of principal, interest or premium, if any, on the indebtedness evidenced by the First Secured Note, or if an Event of Default under Section 3.01(a) of the Reimbursement Agreement shall exist;

(b) If any default made in the due and punctual payment of any other moneys required under the First Secured Note or this Mortgage for a period of 5 Business Days after notice thereof by the Trustee or the Surety;

(c) If any ^{other} default shall exist under any ~~other~~ document or instrument regulating, evidencing, securing or guarantying any of the Indebtedness Hereby Secured including, but not limited to, the Loan Agreement or any of the Loan Documents or the Second Mortgage Documents in each case after the expiration of any period of grace expressly allowed for the cure of such default in such other document or instrument;

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