

charges due under the Note; second, to prepayment charges due under the Note; third, to interest due; and last, to principal due.

3. **CHARGES; LIENS.** Borrower shall pay all taxes, assessments, charges, fines, and impositions attributable to the Property that may attain priority over this Mortgage, and leasehold payments or ground rents, if any. Borrower shall pay these obligations on time directly to the person owed payment. Borrower shall promptly furnish to Lender all notices of amounts to be paid under this paragraph. If Borrower makes these payments directly, Borrower shall promptly furnish to Lender receipts evidencing the payments. Borrower shall promptly discharge any lien that has priority over this Mortgage unless Borrower: (a) agrees in writing to the payment of the obligation secured by the lien in a manner acceptable to Lender; (b) contests in good faith the lien by, or defends against enforcement of the lien in, legal proceedings which in the Lender's opinion operate to prevent the enforcement of the lien or forfeiture of any part of the Property; or (c) secures from the holder of the lien an agreement satisfactory to Lender subordinating the lien to this Mortgage. If Lender determines that any part of the Property is subject to a lien that may attain priority over this Mortgage, Lender may give Borrower a notice identifying the lien. Borrower shall satisfy the lien or take one or more of the actions set forth above within 10 days of the giving of notice.

4. **HAZARD INSURANCE.** Borrower shall keep the improvements now existing or to be erected on the Property insured against loss by fire, hazards included within the term "extended coverage", and any other hazards for which Lender requires insurance. This insurance shall be maintained in the amounts and for the periods that Lender requires. The insurance carrier providing the insurance shall be chosen by Borrower subject to Lender's approval which shall not be withheld unreasonably. All insurance policies and renewals shall be acceptable to Lender and shall include a standard mortgage clause. Lender shall have the right to hold the policies and renewals. If Lender requires, Borrower shall promptly give to Lender all receipts of paid premiums and renewal notices. In the event of loss, Borrower shall give prompt notice to the insurance carrier and Lender. Lender may make proof of loss if not made promptly by Borrower. Unless Lender and Borrower otherwise agree in writing, insurance proceeds shall be applied to the restoration or repair of the Property damaged, if the restoration or repair is economically feasible and Lender's security is not lessened. If the restoration or repair is not economically feasible or Lender's security would be lessened, the insurance proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Borrower. If Borrower abandons the Property, or does not answer within 30 days a notice from Lender that the insurance carrier has offered to settle a claim, then Lender may collect the insurance proceeds. Lender may use the proceeds to repair or restore the Property or to pay sums secured by this Mortgage, whether or not then due. The 30-day period will begin when the notice is given. Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the payments referred to in Paragraph 1 or change the amount of the payments. If under Paragraph 18 the Property is acquired by Lender, Borrower's right to any insurance policies and proceeds resulting from damage to the Property prior to the acquisition shall pass to Lender to the extent of the sums secured by this Mortgage immediately prior to the acquisition.

5. PRESERVATION AND MAINTENANCE OF PROPERTY; LEASEHOLDS. Borrower shall not destroy, damage, or substantially change the Property, allow the Property to deteriorate, or commit waste. If this Mortgage is on a leasehold, Borrower shall comply with the provisions of the lease, and if Borrower acquires fee title to the Property, the leasehold and fee title shall not merge unless Lender agrees to the merger in writing.
6. PROTECTION OF LENDER'S RIGHTS IN THE PROPERTY. If Borrower fails to perform the covenants and agreements contained in this Mortgage, or there is a legal proceeding that may significantly affect Lender's rights in the Property (such as a proceeding in bankruptcy, probate, for condemnation, or to enforce laws or regulations), then Lender may do and pay for whatever is necessary to protect the value of the Property and Lender's rights in the Property. Lender's actions may include paying any sums secured by a lien that has priority over this Mortgage, appearing in court, paying reasonable attorney fees, and entering on the Property to make repairs. Although Lender may take action under this paragraph, Lender does not have to do so. Any amounts disbursed by Lender under this Paragraph shall become additional debt of Borrower secured by this Mortgage. Unless Borrower and Lender agree to other terms of payment, these amounts shall bear interest from the date of disbursement at the Note rate and shall be payable, with interest, on notice from Lender to Borrower.
7. INSPECTION. Lender or its agent may make reasonable entries on and inspections of the Property. Lender shall give Borrower notice at the time of or prior to an inspection specifying reasonable cause for the inspection.
8. CONDEMNATION. The proceeds of any award or claim for damages, direct or consequential, in connection with any condemnation or other taking of any part of the Property, or for a conveyance in lieu of condemnation, are hereby assigned and shall be paid to Lender. In the event of a total taking of the Property, the proceeds shall be applied to the sums secured by this Mortgage, whether or not then due, with any excess paid to Borrower. In the event of a partial taking of the Property, unless Borrower and Lender otherwise agree in writing, the sums secured by this Mortgage shall be reduced by the amount of the proceeds multiplied by the following fraction:
(a) the total amount of the sums secured immediately before the taking, divided by
(b) the fair market value of the Property immediately before the taking. Any balance shall be paid to Borrower. If the Property is abandoned by Borrower, or if, after notice by Lender to Borrower that the condemnor offers to make an award or settle a claim for damages, Borrower fails to respond to Lender within 30 days after the date the notice is given, Lender is authorized to collect and apply the proceeds, at its option, either to the restoration or repair of the Property or to the sums secured by this Mortgage, whether or not then due. Unless Lender and Borrower otherwise agree in writing, any application of proceeds to principal shall not extend or postpone the due date of the payments referred to in Paragraph 1 or change the amount of those payments.
9. BORROWER NOT RELEASED; FORBEARANCE BY LENDER NOT A WAIVER. Extension of the time for payment or modification of amortization of the sums

secured by this Mortgage granted by Lender to any successor in interest of Borrower shall not operate to release the liability of the original Borrower or Borrower's successors in interest. Lender shall not be required to commence proceedings against any successor in interest or refuse to extend the time for payment or otherwise modify amortization of the sums secured by this Mortgage by reason of any demand made by the original Borrower or Borrower's successors in interest. Any forbearance by Lender in exercising any right or remedy shall not be a waiver of or preclude the exercise of any right or remedy.

10. SUCCESSORS AND ASSIGNS BOUND; JOINT AND SEVERAL LIABILITY; CO-SIGNERS. The covenants and agreements of this Mortgage shall bind and benefit the successors and assigns of Lender and Borrower, subject to the provisions of Paragraph 16. Borrower's covenants and agreements shall be joint and several. Any Borrower who co-signs this Mortgage but does not execute the Note: (a) is co-signing this Mortgage only to mortgage, grant, and convey that Borrower's interest in the Property under the terms of this Mortgage; (b) is not personally obligated to pay the sums secured by this Mortgage; and (c) agrees that Lender and any other Borrower may agree to extend, modify, forbear, or make any accommodations with regard to the terms of this Mortgage or the Note without Borrower's consent.
11. LOAN CHARGES. If the loan secured by this Mortgage is subject to a law which sets maximum loan charges, and that law is finally interpreted so that the interest or other loan charges collected or to be collected in connection with the loan exceed the permitted limits, then: (a) any such loan charge shall be reduced by the amount necessary to reduce the charge to the permitted limit; and (b) any sums already collected from Borrower that exceeded permitted limits will be refunded to Borrower. Lender may choose to make this refund by reducing the principal owed under the Note or by making a direct payment to Borrower. If a refund reduces principal, the reduction will be treated as a partial prepayment without any prepayment charge under the Note.
12. LEGISLATION AFFECTING LENDER'S RIGHTS. If the enactment or expiration of applicable laws has the effect of rendering any provision of the Note or this Mortgage unenforceable according to its terms, Lender, at its option, may require immediate payment in full of all sums secured by this Mortgage and may invoke any remedies permitted by Paragraph 17. If Lender exercises this option, Lender shall take the steps specified in the second paragraph of Paragraph 16.
13. NOTICES. Any notice to Borrower provided for in this Mortgage shall be given by delivering it or by mailing it by first class mail unless applicable law requires use of another method. The notice shall be directed to the Property Address or any other address Borrower designates by notice to Lender. Any notice to Lender shall be given by first class mail to Lender's address stated herein or any other address Lender designates by notice to Borrower. Any notice provided for in this Mortgage shall be deemed to have been given to Borrower or Lender when given as provided in this paragraph.
14. GOVERNING LAW; SEVERABILITY. This Mortgage shall be governed by federal law and the law of the jurisdiction in which the Property is located. In the event

that any provision or clause of this Mortgage or the Note conflicts with applicable law, the conflict shall not affect other provisions of this Mortgage or the Note which can be given effect without the conflicting provision. To this end the provisions of this Mortgage and the Note are declared to be severable.

15. TRANSFER OF THE PROPERTY OR A BENEFICIAL INTEREST IN BORROWER. If all or any part of the Property or any interest in it is sold or transferred (or if a beneficial interest in Borrower is sold or transferred and Borrower is not a natural person) without Lender's prior written consent, Lender may, at its option, require immediate payment in full of all sums secured by this Mortgage. However, this option shall not be exercised by Lender if its exercise is prohibited by federal law as of the date of this Mortgage. If Lender exercises this option, Lender shall give Borrower notice of acceleration. The notice shall provide a period of not less than 30 days from the date the notice is delivered or mailed within which Borrower must pay all sums secured by this Mortgage. If Borrower fails to pay these sums prior to the expiration of this period, Lender may invoke any remedies permitted by this Mortgage without further notice or demand on Borrower.
16. BORROWER'S RIGHT TO REINSTATE. If Borrower meets certain conditions, Borrower shall have the right to have enforcement of this Mortgage discontinued at any time prior to the earlier of: (a) 5 days (or such other period as applicable law may specify for reinstatement) before the sale of the Property pursuant to any power of sale contained in this Mortgage; or (b) entry of a judgment enforcing this Mortgage. Those conditions are that Borrower: (a) pays Lender all sums that then would be due under this Mortgage and the Note had no acceleration occurred; (b) cures any default of any other covenants or agreements; (c) pays all expenses incurred in enforcing this Mortgage, including, but not limited to, reasonable attorney fees; and (d) takes such action as Lender may reasonably require to assure that the lien of this Mortgage, Lender's rights in the Property, and Borrower's obligation to pay the sums secured by this Mortgage shall continue unchanged. On reinstatement by Borrower, this Mortgage and the obligations secured by it shall remain fully effective as if no acceleration had occurred. However, this right to reinstate shall not apply in the case of acceleration under Paragraphs 12 or 15.
17. ACCELERATION; REMEDIES. Lender shall give notice to Borrower prior to acceleration following Borrower's breach of any covenant or agreement in this Mortgage (but not prior to acceleration under Paragraphs 12 or 15 unless applicable law provides otherwise). The notice shall specify: (a) the default; (b) the action required to cure the default; (c) a date, not less than 30 days from the date the notice is given to Borrower, by which the default must be cured; and (d) that failure to cure the default on or before the date specified in the notice may result in acceleration of the sums secured by this Mortgage, foreclosure by judicial proceeding, and sale of the Property. The notice shall further inform Borrower of the right to reinstate after acceleration and the right to assert in the foreclosure proceeding the nonexistence of a default or any other defense of Borrower to acceleration and foreclosure. If the default is not cured on or before the date specified in the notice, Lender at its option may require immediate payment in full of all sums secured by this Mortgage without further demand and may foreclose this Mortgage by judicial proceeding. Lender shall be entitled to collect all expenses incurred in pursuing the remedies


provided in this paragraph, including, but not limited to, reasonable attorney fees and the costs of title evidence, all of which shall be additional sums secured by this Mortgage.

18. LENDER IN POSSESSION. On acceleration under Paragraph 17, or abandonment of the Property, Lender (by judicially appointed receiver) shall be entitled to enter on, take possession of, and manage the Property and to collect the rents of the Property including those past due. Any rents collected by Lender or the receiver shall be applied first to the payment of the costs of management of the Property and collection of rents, including, but not limited to, receiver's fees, premiums on receiver's bonds, and reasonable attorney fees, and then to the sums secured by this Mortgage.
19. RELEASE. On payment of all sums secured by this Mortgage, this Mortgage shall become null and void. Lender shall release this Mortgage without charge to Borrower. Borrower shall pay any recordation costs.
20. WAIVERS. Borrower waives all rights of homestead exemption in the Property. Borrower waives the right to assert any statute providing appraisal rights which may reduce any deficiency judgment obtained by Lender against Borrower in the event of foreclosure under this Mortgage.
21. FUTURE ADVANCES. The lien of this Mortgage shall secure the existing indebtedness under the Note and any future advances made under this Mortgage up to fifty percent (50%) of the original principal amount of the Note plus interest thereon, attorney fees, and court costs.

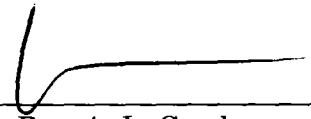
By signing below, Borrower accepts and agrees to the terms and covenants contained in this Mortgage on the date first above written.

SIGNED, SEALED AND DELIVERED
IN THE PRESENCE OF:

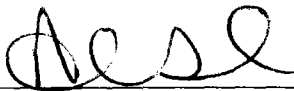
JENKINS CREEK CHARTERS &
PROPERTY MANAGEMENT, LLC



First Witness

By: 

Ronnie L. Crosby,
Member



Second Witness

ACKNOWLEDGMENT ON NEXT PAGE

STATE OF SOUTH CAROLINA)
)
COUNTY OF BEAUFORT) ACKNOWLEDGMENT

I, the undersigned Notary Public, do hereby certify that JENKINS CREEK CHARTERS & PROPERTY MANAGEMENT, LLC, by Kenneth Ronnie L. Crosby, Member, personally appeared before me this day and acknowledged the due execution of the foregoing instrument.

Witness my hand and official seal this 31st day of January, 2012.

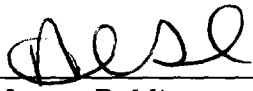

_____(SEAL)
Notary Public
My Commission expires: 1-10-15

Exhibit "A" – Legal Description

All that certain piece, parcel or lot of land, situate, lying and being in Saint Helena Township, Beaufort County, South Carolina, being described as Lot No. 3 (containing .420 acre) on that certain plat prepared by Zyad A. Khalil, PLS, Christensen Surveying Co. dated August 11, 2003 and recorded in Plat Book 94 at Page 128 in the Office of the Register of Deeds for Beaufort County, South Carolina.

This is the same property acquired by the within Borrower by way of deed dated _____ and recorded in Record Book 3116 at Page 2963 in the Office of the Register of Deeds for Beaufort County, South Carolina.

This mortgage was prepared by Derek C. Gilbert of Gilbert Law Firm LLC, 7 Professional Village Circle, Beaufort, SC 29907.