

promissory note and shall be secured by this mortgage.

Section 10. Covenant to Maintain Insurance.

(a) The Mortgagor will at all times provide and maintain, or cause to be provided and maintained, at its expense, adequate insurance by policies in such form and amounts, with such companies and against such risks to its property and business as shall be satisfactory to the Mortgagee. Such policies shall contain provisions satisfactory to the Mortgagee for payment to the Mortgagee, as its interests may appear, and shall be delivered to the Mortgagee from time to time, on request, for inspection.

(b) Upon the failure of the Mortgagor to keep and maintain any such insurance, the Mortgagee, without prejudice to its other rights or remedies, may obtain such insurance in form and amounts and with insurers satisfactory to the Mortgagee, and any amounts paid in connection therewith shall be deemed to be advanced to the Mortgagor by the Mortgagee, shall be added to the principal amount of said promissory note, shall be secured by this mortgage, and shall be recoverable as a part of the indebtedness hereby secured.

(c) Any loss recovery under any of said policies in the amount of twenty-five thousand dollars (\$25,000.00) or less with respect to the Mortgaged property in either Greenville or Lexington Counties, South Carolina, considered separately, may, at the Mortgagor's option, be applied toward the repair, restoration or replacement of the property damaged or destroyed. Any loss recovery in excess of twenty-five thousand dollars (\$25,000.00) with respect to the Mortgaged Property in either Greenville or Lexington Counties, South Carolina, considered separately, may, at the Mortgagee's option, be applied toward payment of said promissory note and all sums secured by this Mortgage, or may be paid over, either wholly or in part, to the Mortgagor for the repair, restoration or replacement of the property damaged or destroyed, or for any other purpose or object satisfactory to the Mortgagee.

Section 11. Further Assurance. At any time, and from time to time, upon request by the Mortgagee, the Mortgagor will make, execute and deliver, or cause to be made, executed and delivered, to the Mortgagee, and where appropriate, will cause to be recorded or filed and from time to time thereafter to be rerecorded or refiled at such times and in such offices and places as shall be deemed desirable by the Mortgagee, and all such other and further mortgages, instruments of further assurance, certificates and other documents as may, in the opinion of the Mortgagee or its counsel, be necessary or reasonably desirable in order to effectuate, complete and perfect, or to continue and preserve (a) the obligations of the Mortgagor under said promissory note and this mortgage, and (b) the lien of this mortgage as a first and prior lien upon all the Mortgaged property, whether now owned or hereafter acquired by the Mortgagor, and wheresoever located. Upon any failure by the Mortgagor so to do, the Mortgagee may make, execute, record, file, rerecord, or refile any and all such mortgages, instruments, certificates and documents for and in the name of the Mortgagee, and the Mortgagor hereby irrevocably appoints the President of the Mortgagee the agent and attorney-in-fact of the Mortgagor so to do. Any expense of the Mortgagee in connection therewith shall be added to the principal amount of said promissory note, and shall be secured by this mortgage.

Section 12. Removal and Demolition of Mortgaged Property. Without the prior written consent of the Mortgagee, the Mortgagor will not remove from the premises on which presently located, or dismantle, or demolish, any personal property, fixture, building, plat or improvement forming a part of the Mortgaged Property. However, on the certification by the Mortgagor to the Mortgagee that, in the best interests of the Mortgagor, part of the Mortgaged Property should be replaced, the Mortgagee shall consent to the release thereof from the line of this mortgage, provided that prior to or simultaneously with the execution of such release, the Mortgagor acquires unencumbered title to property of at least equal value to that to be released. Any such replacements immediately shall become subject to the lien of this mortgage and to the provisions of Section 7 hereof.

Section 13. Accounting, Financial Statements, Working Capital, Capital Structure, Loans, Dividends, Compensation, etc. So long as the Mortgagor remains indebted to the Mortgagee under said promissory note,

(a) the Mortgagor will keep its books of account in accordance with generally accepted accounting principles; with maintain a net working capital of at least one hundred fifty thousand dollars (\$150,000.00), after setting up proper reserves for all taxes, including income taxes on then current operations, and, within ninety (90) days after the end of each of its fiscal years, will deliver to the Mortgagee a financial report of the Mortgagor's business, including a balance sheet and operating statement, prepared by an independent certified public accountant in good standing;

(b) the Mortgagor, as soon as practicable after the end of each month, will deliver to the Mortgagee a financial and operating statement of the Mortgagor's business during such month,