

The mortgagor further covenants and agrees that so long as any balance shall be outstanding on the indebtedness of this mortgage and the note secured thereby, it will give two days' notice in writing to the mortgagee herein of all meetings of the Board of Directors of Textile Hall Corporation or meetings of its Executive Committees or other Managing Board or Committees, and a representative of the mortgagee, its successors or assigns, should be given the right and privilege to attend any such meeting or meetings.

The mortgagor further covenants and agrees that so long as any balance shall be outstanding on the indebtedness of this mortgage and the note secured thereby, all surplus cash as may be determined by its Board of Directors or other Managing Board will be applied by the mortgagor to reduce the balance of the principal indebtedness secured by this mortgage.

The mortgagor further covenants and agrees that so long as any balance shall be outstanding on the indebtedness of this mortgage and the note secured thereby, no capital expenditures in excess of \$10,000.00 will be approved by the mortgagor's Board of Directors or other Managing Board without first obtaining the written consent thereto of the mortgagee, its successors and assigns.

TO HAVE AND TO HOLD all and singular the said Premises unto the said THE PEOPLES NATIONAL BANK OF GREENVILLE, GREENVILLE, SOUTH CAROLINA, its successors and Assigns. And the mortgagor does hereby covenant to warrant and forever defend all and singular the said Premises unto the said THE PEOPLES NATIONAL BANK OF GREENVILLE, GREENVILLE, SOUTH CAROLINA, its successors and Assigns, from and against the said mortgagor and every person whosoever lawfully claiming or to claim the same or any part thereof.