

of the property damaged or destroyed in respect of which such proceeds were received or to be paid to the Mortgagee on account of the indebtedness secured by this mortgage. All moneys received by the Mortgagee as proceeds of insurance shall be paid by the Mortgagee to the Mortgagor, to reimburse the Mortgagee for an equal amount spent in the repair, replacement or improvement of the property damaged or destroyed, upon receipt by the Mortgagee of such documents as may be required by it and covering such matters as may, in its sole discretion, be specified by the Mortgagee. Any such moneys (aggregating \$50,000 or more) not so paid to the Mortgagor within two years after their receipt by the Mortgagee, shall thereafter be applied to the prepayment of the aforesaid note.

The Mortgagor will likewise provide and maintain at its own expense adequate insurance with reputable and responsible insurance carriers against liability on account of damage to persons and properties and under all applicable workmen's compensation laws.

All policies of insurance required under the terms of this paragraph 5 shall contain provisions satisfactory to the Mortgagee protecting the coverage thereof against the effect of any waiver of subrogation by the insured. All such policies shall be non-cancellable except after ten (10) days' written notice of same to the Mortgagee, and each policy shall so provide. All such policies shall further provide for the delivery to the Mortgagee of a copy of any notice required or permitted to be given by the insurer to the insured thereunder.

In the event of foreclosure of this mortgage, all right, title and interest of the Mortgagee in and to all the insurance policies then in force shall pass to the purchaser or grantee and the Mortgagee is hereby appointed attorney-in-fact for the Mortgagor to assign and transfer said policies.

6. To complete construction of its Nylon 66 Plant as provided in the Indenture of Mortgage and Deed of Trust between the Mortgagee and Bankers Trust Company and J. C. Kennedy, as Trustees, dated as of September 1, 1964, and recorded in the R.M.C. Office for Greenville County, South Carolina, in Mortgage Book 152 at page 204 (hereinafter called the "Indenture").

7. That if the premises covered hereby, or any part thereof, shall be condemned and taken for public use under the power of eminent

domain or are otherwise damaged thereby, the Mortgagee shall have the right to demand that all damages awarded for the taking of or injury to said premises shall be paid to it to the extent of the then unpaid balance of the indebtedness secured hereby. All awards in respect to any such taking or damage are hereby assigned to the Mortgagee which is hereby authorized to collect and receive the same and to give proper receipts and acquittances therefor and to apply the same toward the payment of the amount owing on the mortgage indebtedness, notwithstanding the fact that the amount owing thereon may not then be due and payable; and the Mortgagor hereby agrees, upon request, to make, execute and deliver all assignments and other instruments sufficient for the purpose of assigning said awards to the Mortgagee free, clear and discharged of any encumbrances of any kind or nature whatsoever. Any excess not applied to the mortgage indebtedness shall be paid to the Mortgagor.

8. That in case of any suit or proceedings at law or in equity wherein said Mortgagee shall be made a party by reason hereof, it shall be allowed and paid costs, charges, and attorneys' fees by said Mortgagor as the court may deem reasonable; and the Mortgagee may appear in and defend any action or proceedings purporting to affect the security hereof, and the Mortgagor will pay all costs and expenses, including reasonable attorneys' fees in any such action or proceeding.

9. That in case the Mortgagor fails to pay taxes and assessments, or fails to maintain the insurance herein provided, or in case there exists any claim, lien or encumbrance on said premises, or any part thereof which is now, or becomes, prior to this mortgage, or in case there shall exist at any time during the continuance of this mortgage any statutory lien on said premises or any part thereof, or in the event the Mortgagor neglects to keep the said premises in good condition and repair, or is or becomes in default with respect to any other covenant or agreement hereof, said Mortgagee may at its option, and without being obligated to do so, pay such taxes and assessments, effect such insurance, pay such claim, lien, encumbrance or statutory lien, and be subrogated to the rights of the holder of any lien so removed, or effect such repairs, to pay any other charges necessary to be paid for the protection of the lien of this mortgage, or perform