

that upon receiving notice from him of any defect in the repair of condition of the premises, mortgagor will make good such defect. (3) To pay all taxes and assessments levied or assessed on the said premises or any part thereof immediately upon the same becoming due or payable, and to produce the receipts for such payments to the mortgagee, or his heirs and assigns. (4) Not to commit or suffer any strip or waste of the said premises or to do or permit to be done thereon anything that may in any way impair the security of this mortgage. (5) To pay the said yearly rent by the said indenture of lease reserved in accordance with the terms and covenants therein contained, and to observe and perform all the other covenants, agreements and conditions in said indenture contained on the part of the lessee therein to be observed and performed, and to keep indemnified the mortgagee, his heirs and assigns, against all actions, proceedings, costs, claims and damages by it incurred or sustained in respect of the nonpayment of the said rent or the non-observance or non-performance of the said covenants, agreements and conditions, or any of them.

And it is hereby further expressly agreed that in the event of any failure on the part of mortgagor, its successors and assigns, to insure said buildings and to deliver said policies, or to keep the said buildings in repair, or to pay said taxes and assessments, or to pay said rent by said indenture of lease reserved, as hereinbefore provided, then and in either or any such event said mortgagee, his heirs or assigns, shall be at liberty to apply for and shall be entitled as a matter of right to the appointment by any court having jurisdiction of a receiver of the rents and profits of the said premises, or in any or either such event said mortgagee, his heirs or assigns, may, without notice pay such taxes and assessments, and pay such rent by said indenture themselves and the sum or sums of money so paid for any and all such purposes, with interest thereon at the rate of eight and one-half percent (8 1/2%) per annum from the time of the payment thereof, shall be deemed a part of the debt hereby secured, and shall be immediately due and payable and collectible with and as a part of and in the same manner as the said principal debt.

This mortgage is a second mortgage junior in rank to that certain mortgage of even date herewith given by BELL PHARMACAL CORPORATION to THE PEOPLES NATIONAL BANK, GREENVILLE, SOUTH CAROLINA, to secure a note in the amount of Six Hundred Thousand and no/100ths (\$600,000.00) Dollars.