

7. The occurrence of any one or more of the following events shall constitute an Event of Default:

(a) Failure of Mortgagor to pay any installment of principal or interest on the Note when and as the same shall become due and payable, whether at maturity or by acceleration or otherwise;

(b) Default in the performance of any provision or breach of any covenant contained herein;

(c) Occurrence of an event of default by Mortgagor, Construction or Office Park under the terms of the Loan Agreement;

(d) Failure of payment of any installment of principal or interest on any of the notes receivable pledged to Mortgagee pursuant to the terms of a Pledge Agreement of even date herewith;

(e) Default under the terms of that certain first lien Deed of Trust dated March 28, 1974, from Properties to James W. Kiser, Trustee for North Carolina National Bank, duly recorded in Deed Book 1043, page 150, of the Catawba County, North Carolina, Public Registry, securing an indebtedness in the original principal amount of \$1,200,000.00;

8. Whenever the singular or plural number, or masculine, feminine or neuter gender is used herein, it shall equally include the other and every mention herein of Mortgagor or Mortgagee shall include heirs, executors, legal representatives, administrators, successors and assigns of the party so designated.

The Mortgagor covenants that it is lawfully seized of the premises hereinabove described in fee simple absolute, that it has good right and is lawfully authorized to sell, convey or encumber the same and that the premises are free and clear of all liens and encumbrances except as provided herein. The Mortgagor further covenants to warrant and forever defend all and singular the said premises unto the Mortgagee forever, from and against the Mortgagor and all persons whomsoever lawfully claiming the same or any part thereof excepting prior liens or encumbrances herein provided.