

ARTICLE II
EVENTS OF DEFAULT AND REMEDIES

SECTION 2.01. If one or more of the following events of default ("Events of Default") shall occur,

(a) If Mortgagor shall default in the payment of the Note when the same shall become due and payable, whether at any stated maturity or by declaration or otherwise, and such default continues for a period of five days; or

(b) If Mortgagor shall default in the performance of or compliance with any term contained in Sections 4.1 to 4.12, inclusive of the Loan Agreement; or

(c) If Mortgagor shall default in the performance of or compliance with any term contained in the Loan Agreement other than those referred to above in this Section 2.01, or contained in this Mortgage or any of the Documents (as that term is defined in the Loan Agreement) and such default shall not have been remedied within 30 days after any officer of Mortgagor shall have become aware of such default; or

(d) If any representation or warranty made in writing by or on behalf of Mortgagor in this Mortgage, the Loan Agreement or in the Exhibits hereto or thereto, or in any of the other Documents, or in connection with the transactions contemplated hereby and thereby shall prove to have been false or incorrect in any material respect when made or deemed to have been made; or

(e) If at any time Mortgagor shall not own, both beneficially and of record, all of the issued and outstanding capital stock of Carter County Fibers, Inc.; or

(f) If Mortgagor shall default in the payment

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