

Mortgagor, Classic Weaving Corp. ("Classic"), Woolmark Corp. ("Woolmark"), Socott Corp. ("Socott"), E.B.Z. Corp. ("EBZ") and Goshen Finishing, Inc. ("Goshen"), (iii) that certain factoring agreement (the "Factoring Agreement") of even date herewith between the Mortgagee and the Mortgagor, (iv) those certain guaranties (the "Mortgagor Guaranties") of even date herewith by the Mortgagor of all present and future obligations of Millboro Textiles, Inc., Talmac Textiles International, Ltd., Classic, Woolmark, Socott, EBZ and Goshen, respectively, including (without limitation) obligations of each of such Persons to the Mortgagee under the Loan Agreement and Factoring Agreement, (v) the payment and performance by the Mortgagor of each covenant, term, condition and agreement contained in any agreement or instruments now existing or hereafter entered into (a) between the Mortgagor and the Mortgagee or (b) among the Mortgagor, Classic, Woolmark, Socott, EBZ and Goshen and the Mortgagee (the "Collateral Documents", which together with the Note, Loan Agreement, Factoring Agreement, Mortgagor Guaranties and this Mortgage are hereinafter collectively referred to as the "Loan Documents") and (vi) the performance by the Mortgagor of each covenant, term, condition and agreement contained in this Mortgage; and in consideration of the sum of One Dollar (\$1.00) in hand well and truly paid by the Mortgagee, the receipt whereof is hereby acknowledged, the Mortgagor has granted, bargained, sold and released, and by these presents, does grant, bargain,

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