

MORTGAGE AND SECURITY AGREEMENT

FILED
MAY 31 1982
John S. T...
RMB

This Mortgage made on the 10th day of May, 1982, by Augusta Woodlands Corporation, a Georgia corporation, having its principal offices in Augusta, Georgia (hereinafter referred to as "Mortgagor"), and Chemical Bank, a New York State banking corporation, having its principal offices at 20 Pine Street, New York, New York, as agent for the Lenders listed in Appendix attached to the Consortium Loan Agreement dated January 8, 1982 (hereinafter referred to as "Mortgagee").

WHEREAS, Mortgagor has executed and delivered to Mortgagee a Guarantee (hereinafter referred to as the "Guarantee") of that Note of even date herewith by Augusta Financial Corporation, a Delaware corporation, (hereinafter referred to as "AFC") to Mortgagee in the principal amount of up to Two Hundred Forty Million (\$240,000,000) Dollars (hereinafter referred to as the "Note"); and

WHEREAS, the Guarantee and this Mortgage are being executed and delivered pursuant to a certain Consortium Loan Agreement between Mortgagee and AFC dated January 8, 1982 (hereinafter referred to as the "Loan Agreement"); and

WHEREAS, AFC intends to advance the proceeds of the loan evidenced by the Note to Augusta Newsprint Company, a Georgia partnership (hereinafter referred to as "AN"); and

WHEREAS, AN owns all of the stock of AFC and Mortgagor; and

WHEREAS, Mortgagor is desirous of securing the covenants contained in the Guarantee according to its terms, as an inducement to Mortgagee to advance sums to AFC now and in the future pursuant to the Loan Agreement.

NOW, THEREFORE, to secure the performance and observance by the Mortgagor of all the covenants and conditions in the Guarantee and in this Mortgage and Security Agreement (hereinafter referred to as the "Mortgage"), and in consideration of the premises, and the rights hereinafter described and for other valuable consideration, the receipt of which is hereby acknowledged, the Mortgagor does hereby grant, bargain, sell, convey and mortgage unto the Mortgagee certain real property (hereinafter referred to as the "Premises"), situate in the County of Greenville, State of South Carolina, which property is more particularly described in Schedule "A" attached hereto and made a part hereof (the "Premises");

Together with the following property and rights (hereinafter collectively called the "Property"):

(a) all right, title and interest of Mortgagor in and to the land lying in the bed of any street, road or avenue, opened or proposed, in front of or adjoining the Premises, and in and to the appurtenances thereto;

(b) all and singular the tenements, hereditaments, easements, appurtenances, passages, waters, water rights, water courses, riparian rights, other rights, liberties and privileges thereof or in any way now or hereafter appurtenant thereto, including any other claims at law or in equity, as well as any after-acquired title, franchise or license and reversion and reversions and remainder and remainders thereof,

AFFIDAVIT
FILED

SC70 --- 1 MAY 31 82 438 16.0001

RECORDED
MAY 31 1982
11 2 03

15
16
17
18
19
20

4328