

MORTGAGE

THIS MORTGAGE, made this 8th day of October, 1982, by Hartness, Inc., a South Carolina corporation, with an address at Post Office Box 3567, Greenville, South Carolina 29608 (herein called the "Mortgagor"), to FIRST NATIONAL BANK OF SOUTH CAROLINA, a national banking association, with an address at 2000 West Palmetto Street, Florence, South Carolina 29502 (herein called the "Mortgagee") pursuant to that certain Financing Agreement dated as of September 1, 1982, between CAROLINA CANNERS, INC., a South Carolina corporation, with an address at U.S. Highway 1 South, Cheraw, South Carolina 29520 (herein called the "Debtor") and Mortgagee (herein, as amended and modified from time to time, together with the Euro-Dollar Loan Agreement attached thereto, called the "Agreement"). All terms not otherwise defined herein are used with the same meaning as set forth in the Agreement.

WITNESSETH:

WHEREAS, the Mortgagor is a wholly owned subsidiary of the Debtor which receives substantial direct and indirect benefits from its relationship with the Debtor and the other subsidiaries of the Debtor, including (without limitation) economic benefits derived from favorable business and credit relationships; and

WHEREAS, the Mortgagor desires to induce the Mortgagee to enter into the Agreement with the Debtor and to extend credit to the Debtor as described therein for the Mortgagor's direct and indirect benefit; and

WHEREAS, in accordance with the Agreement, the Mortgagor is obligated to unconditionally guarantee all of the Notes, Obligations and borrowings of the Debtor from the Mortgagee by the execution and delivery of a Guaranty Agreement and to secure all the obligations of the Debtor and the Mortgagor to the Mortgagee by the execution and delivery of this Mortgage and a Security Agreement of even date herewith; and

WHEREAS, the Mortgagor's obligation to execute the Guaranty Agreement, this Mortgage and the Security Agreement is a fair equivalent for the direct and indirect benefits derived by the Mortgagor from the extension of credit to the Debtor as described in the Agreement.

NOW, THEREFORE, that, to secure (i) the payment by the Debtor of the principal sum of Twenty-Five Million and 00/100 Dollars (\$25,000,000.00), or so much thereof as may from time to time hereafter be advanced or readvanced, together with interest thereon, payable on or before October 1, 1993, or such later date to which the Mortgagee may hereafter agree, in accordance with the terms of the promissory notes now or hereafter issued by the Debtor to the Mortgagee (herein called the "Notes") pur-

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GREENVILLE CO. S.C.
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DONNIE S. TANNERSLEY
R.M.C.

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