

STATE OF SOUTH CAROLINA)
COUNTY OF GREENVILLE) MORTGAGE AND SECURITY AGREEMENT

TO ALL WHOM THESE PRESENTS MAY CONCERN, Span-America Medical Systems, Inc., a South Carolina corporation (the "Company"), SENDS GREETINGS:

WHEREAS, GREENVILLE COUNTY, SOUTH CAROLINA, a political subdivision and a body politic and corporate of the State of South Carolina (the "County"), is authorized and empowered by Title 4, Chapter 29 of the Code of Laws of South Carolina, 1976, as amended (the "Act"), to lend funds to private enterprises to assist in the construction, acquisition and installation of the properties hereinafter described; and

WHEREAS, the County is further authorized by the Act to issue industrial revenue bonds for this purpose; and

WHEREAS, these industrial revenue bonds are limited obligations of the County payable by the County solely from revenues received by the County from private enterprises as payments on notes executed and delivered to the County by these private enterprises in exchange for the loan of the proceeds of these industrial revenue bonds to such private enterprises; and

WHEREAS, the County on September 19, 1983 issued and sold its \$1,000,000 Industrial Revenue Bond (Span-America Project) Series 1983 (the "First Bond") and has agreed to issue and sell on or about April 19, 1984 its \$1,000,000 Industrial Revenue Bond (Span

STATE OF SOUTH CAROLINA
COUNTY OF GREENVILLE
RECORDS & CLERK
STAMP
TAX 1400.00