

Mortgagor pursuant to the Loan Agreement and nothing in the Bond or in this Mortgage shall be considered as pledging any other funds or assets of the Mortgagee.

AND IT IS AGREED that the within Mortgage shall constitute a Security Agreement under the Uniform Commercial Code as adopted in the State of South Carolina, creating a lien on all of the fixtures and equipment described in II above. The Mortgagor shall have the right to replace or substitute any of the property covered by the security interest granted on all items described in II above so long as the aggregate value of the personal property and fixtures is not substantially impaired.

AND IT IS AGREED, by and between the said parties that (a) upon any default being made (i) in the due and punctual payment of any interest on the Note or Bond; (ii) in the due and punctual payment of the principal of the Note or Bond, whether at the stated maturity thereof, or otherwise; or (iii) any payment due under the terms of the Note or Bond; or (b) upon the occurrence of a default under the Security Agreement, Loan Agreement, this Mortgage, the Note, the Bond or the Bond Ordinance; or (c) upon the occurrence of a default under the terms of a Guaranty Agreement by Precision Valve Corporation, a New York corporation, dated as of March 1, 1984 the entire amount of the debt secured or intended to be secured hereby, shall forthwith become due, at the option of the Mortgagee, its successors or assigns, although the period for the payment of the debt may not then have expired.

AND IT IS AGREED, by and between the parties that upon any default, and failure to cure if so provided, the entire debt secured or intended to be secured hereby shall become due, at the option of the Mortgagee, and the lien on the above described premises created and vested by this Mortgage may be foreclosed either by sale at public outcry or by proceedings in equity and the Mortgagee may become the purchaser at any foreclosure sale if it is the highest bidder. No delay or omission by the Mortgagee to exercise any right or power accruing upon a default shall impair any such right or be construed to be a waiver; any such right may be exercised from time to time and as often as may be deemed expedient; and no waiver of any default hereunder shall be deemed to constitute a waiver of any other default or impair any right consequent thereon.

AND IT IS AGREED, by and between the said parties, that, should legal proceedings be instituted for the collection of the debt secured hereby, then and in that event, the Mortgagee, its successors or assigns shall have the right, after complying with the notice and other provisions set forth in section 15-65-10, et. seq. of the 1976 Code of Laws of South Carolina, as amended, to have a receiver appointed of the rents and profits of the above described premises, with power to forthwith lease out the premises if he should so elect, and the Mortgagee, its successors or assigns, after deducting all charges and expenses attending such proceedings, and the execution of the said trust as receiver, shall apply the residue of the said rents and profits towards the payment of the debts secured hereby.

AND IT IS FURTHER AGREED, by and between the said parties, that should legal proceedings be instituted for the foreclosure of this Mortgage, or for