

9. Mortgagor agrees that all expenses paid or incurred by Mortgagee, including reasonable counsel fees incidental to the protection, preservation or collection of the indebtedness of said real estate securing same, or the foreclosure of this Mortgage by suit or otherwise, shall be added to or become a part of the indebtedness secured hereby and bear interest at the same rate.

10. This Mortgage shall, pursuant to the Uniform Commercial Code, constitute a security agreement with respect to the Personal Property and Mortgagor hereby grants to Mortgagee a security interest therein. Mortgagor hereby authorizes Mortgagee to execute and file the financing statements and continuation statements without signature of Mortgagor if Mortgagee shall determine that such are necessary or advisable in order to perfect its security interest in the Personal Property and Mortgagor shall promptly execute financing and continuation statements in form satisfactory to Mortgagee, upon request, to further evidence and secure Mortgagee's interest in the Personal Property and shall pay to Mortgagee on demand any expenses incurred by Mortgagee in connection with the preparation, execution and filing of such statements and any continuation statements that may be filed by Mortgagee. Upon the acceleration of indebtedness under Section 1 hereof, Mortgagee may, at its option, sell or otherwise dispose of the Personal Property by public or private proceedings, separate from or together with the sale of real property, in accordance with the provisions of the Uniform Commercial Code, and Mortgagee may with respect to such Personal Property exercise any other rights or remedies of a secured party under the Uniform Commercial Code.

11. It is understood and agreed that all advances heretofore, now and hereafter made by NCNB and/or Security Pacific to the Company, and all indebtedness now or hereafter owed by the Company to NCNB and/or Security Pacific, and any other present or future indebtedness or liability of the Company to NCNB and Security Pacific, whether as principal debtor, surety, guarantor, endorser, or otherwise, and any and all obligations of Mortgagor now or hereafter existing under the Guaranty will be secured by this instrument until it is satisfied of record. It is further understood and agreed that Mortgagee, at the written request of Mortgagor, will satisfy this Mortgage whenever all of the following conditions have been satisfied: (a) the Company owes no indebtedness to NCNB and/or Security Pacific; (b) the Company has no liability to NCNB and/or Security Pacific; (c) NCNB and/or Security Pacific are no longer obligated to make future advances to the Company under the Loan Agreement; and (d) Mortgagor has no indebtedness or liability to NCNB and/or Security Pacific under the Guaranty or otherwise.