

Bond; (ii) in the due and punctual payment of the principal of the Bond, whether at the stated maturity thereof, or otherwise; or (iii) any payment due under the terms of the Note or Bond; (b) upon the occurrence of a default under the Loan Agreement, this Mortgage, the Note, the Bond or the Bond Ordinance; (c) upon the failure (i) to pay any other sum secured by this Mortgage upon demand or (ii) to observe or perform any covenant or agreement set forth in this Mortgage; (d) upon the breach of any warranties or representations given by H.K. Development Corp. to Mortgagee in connection with the Bond, the 1983 Bond or the 1980 Note; (e) upon the commencement of any proceedings or other written admission by H.K. Development Corp. or any guarantor of the Note ("Guarantor") of an inability to pay the debts of H.K. Development Corp. or Guarantor for the benefit of creditors, request of H.K. Development Corp. or a Guarantor for the benefit of creditors, request or petition by H.K. Development Corp. or Guarantor for the appointment of a receiver, trustee or conservator of the assets of H.K. Development Corp. or Guarantor, or acquiescence by H.K. Development Corp. or Guarantor to any such request or petition made by another person; or (f) upon the occurrence of a default under any document forming a part of the \$1,500,000 Greenville County, South Carolina Industrial Revenue Note (H. K. Development Corp. -- Lessee) issued on April 17, 1980 and/or the \$1,000,000 Greenville County, South Carolina Industrial Revenue Bond, 1983 (H. K. Development Corp. Project) and failure to cure, if so provided, 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 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 any purpose involving this Mortgage, or should the debt hereby secured be placed in the hands of an attorney at law for collection, by suit or otherwise, that all costs and expenses incurred by the Mortgagee, its