

FILED
GREENVILLE CO. S. C.

BOOK 1198 PAGE 112

JUL 8 4 39 PM '71
OLLIE FARNSWORTH
R. M. C.

SECURITY AGREEMENT
AND
MORTGAGE
WITH
POWER OF SALE

1. This instrument is signed and sealed this 7th
day of June, 19 71, by Pacer Industries Corporation,
A Georgia corporation
hereinafter called "Indemnitor" of 148 River Street, Greenville,
South Carolina
, and by Indemnitor
delivered to Interstate Fire Insurance Company,
a Tennessee corporation, hereinafter called
"Surety" of Suite 809, 3001 North Fulton Drive, N.E., Atlanta,
Georgia 30305

2. At Indemnitor's instance and request, Surety is
issuing a certain Financial Guarantee bond,
identified as IF 5679 and hereinafter
referred to as "the bond";

3. As a material inducement for the issuance of the
bond, Indemnitor has agreed and hereby agrees to indemnify Surety
for, and to save it harmless from any and all losses and expenses
resulting or arising from the issuance of the bond. Such losses
and expenses shall include, but shall not be limited to: Claimed
or actual liability to an obligee of the bond; costs of potential-
claims and claims prevention, investigation, and processing;
costs of potential-claims and claims negotiation, adjustment, and
settlement; and costs of claims litigation, i.e., trial preparation
and witness, court, and attorney fees.

4. As a further material inducement for the issuance of
the bond, Indemnitor has agreed and hereby does agree that, within
seven days after receipt of each written demand therefor, Indemnitor
will deposit with Surety in cash or its equivalent an amount
reasonably adequate to satisfy the losses and expenses described
in paragraph numbered 3 above: Provided, however, that Surety
shall not make any such demand unless a formal or informal claim
or demand for payment under the bond has been made against
Surety. Surety may disburse all such deposits for the intended
purposes thereof and shall account to Indemnitor for any unused
balance. Should any such deposit be inadequate for its intended
purposes, Indemnitor shall make additional deposits within seven
days after receipt of Surety's written demand therefor.