

STATE OF SOUTH CAROLINA )  
COUNTY OF GREENVILLE )

LEASEHOLD MORTGAGE  
AND  
SECURITY AGREEMENT

THIS LEASEHOLD MORTGAGE AND SECURITY AGREEMENT made this first day of October, 1984, between The Litchfield Company of South Carolina, Inc. ("Mortgagor"), whose address is Post Office Drawer 100, Fasley, South Carolina 29641-0100, and Citizens and Southern National Bank ("Mortgagee"), whose address is Post Office Box 1449, Greenville, South Carolina 29602.

WITNESSETH:

WHEREAS, Mortgagor is indebted to Mortgagee in the principal sum of One Million Five Hundred Thousand and No/100 (\$1,500,000.00) Dollars together with interest thereon, as evidenced by that certain Promissory Note of even date herewith, executed by Mortgagor and delivered to Mortgagee, the final payment of which is payable under the terms of said note, hereinabove described, the same as if the note were set out fully herein;

NOW THEREFORE, (a) to secure the performance and observance by Mortgagor of all covenants and conditions contained in the Mortgaged Property, in any renewal, extension or modification thereof, in this Leasehold Mortgage and Security Agreement and in all other instruments securing the Mortgaged Property; and (b) also to secure in accordance with Section 29-3-50, as amended, Code of Laws of South Carolina 1976: (i) all future advances and re-advances that may subsequently be made to Mortgagor by Mortgagee, evidenced by the aforesaid Mortgaged Property, or any other promissory notes, and all renewals and extensions thereof; provided, however, that nothing contained herein shall create an obligation on the part of Mortgagee to make future advances or re-advances to Mortgagor and (ii) all other indebtedness of Mortgagor to Mortgagee, now or hereafter existing, whether direct or indirect, the maximum amount of all indebtedness outstanding at any one time secured hereby not to exceed twice the face amount of the Mortgaged Property, plus interest thereon, all charges and expenses of collection incurred by Mortgagee, including court costs, and reasonable attorney's fees; and (c) also in order to charge the properties, interests and rights hereinafter described with such payment, performance and observance; and (d) for and in consideration of the sum of One and No/100 (\$1.00) Dollar paid by Mortgagee to Mortgagor this date, and for other valuable consideration, the receipt of which is acknowledged, Mortgagor does hereby grant, bargain, sell, alien, remise, release, convey, assign, transfer, Mortgage, hypothecate, pledge, deliver, set over, warrant and confirm unto Mortgagee, its successors and assigns forever all right, title and interest of Mortgagor in and to:

THE MORTGAGED PROPERTY

(A) THE LAND All the land located in the County of Greenville, State of South Carolina, (the "land"), described in Exhibit "A" attached hereto and made a part hereof.

(B) IMPROVEMENTS Together with all buildings, structures and improvements of every nature whatsoever now or hereafter situated on the land, and all fixtures, machinery, appliances, equipment, furniture, and personal property of every nature whatsoever now or hereafter owned by Mortgagor and located in or on, or attached to, or used or intended to be used in connection with or with the operation of, the land, buildings, structures or other improvements, including all extensions, additions, improvements, betterments, renewals and replacements to any of the foregoing and all of the right, title and interest of Mortgagor in and to any such personal property or fixtures subject to any lien, security interest or claim together with the benefit of any deposits or payments now or hereafter made by Mortgagor or on its behalf (the "improvements").

(C) EASEMENTS OR OTHER INTERESTS Together with all easements, rights of way, gores of land, streets, ways, alleys, passages, sewer rights, waters, water courses, water rights and powers, and all estates, rights, titles, interests, privileges, liberties, tenements, hereditaments and appurtenances whatsoever, in any way belonging, relating or appertaining to any of the property hereinabove described or which hereafter shall in any way belong, relate or be appurtenant thereto, whether now owned or hereafter acquired by

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