(a) Mortgagor is, and as to portions of the Personal Property to be acquired after the date hereof will be, the sole owner of the Personal Property, and other than the lien granted to Bankers Life Company pursuant to the First Mortgage, the Personal Property is free from any adverse lien, security interest, encumbrance or adverse claims thereon of any kind whatsoever. Mortgagor will notify Mortgagee of, and will defend the Personal Property against, all claims and demands of all persons at any time claiming the same or any interest therein.

(b) The Personal Property will be kept on or at the Property and Mortgagor will not remove the Personal Property from the Property without the prior written consent of Mortgagee, except for such portions or items of Personal Property which are consumed or worn out in ordinary usage, all of which shall be promptly replaced by Mortgagor; provided, however, that Mortgagor may remove all or any portion of the Personal Property from the Property and sell or otherwise dispose of the same, if Mortgagor replaces such Personal Property prior to or promptly after each such removal by personal property of a like kind and of a value at least equal to the replacement value of the Personal Property so removed.

(c) At the request of Mortgagee, Mortgagor will join Mortgagee in executing one or more financing statements and renewals and amendments thereof pursuant to the Uniform Commercial Code of the State of South Carolina in form satisfactory to Mortgagee, and will pay the cost of filing the same in all public offices wherever filing is deemed by Mortgagee to be necessary or desirable.

(d) All covenants and obligations of Mortgagor contained herein relating to the Property shall be deemed to apply to the Personal Property whether or not expressly referred to herein.

(e) This Mortgage constitutes a Security Agreement as that term is used in the Uniform Commercial Code of the State of South Carolina.

ARTICLE III
REMEDIES UPON DEFAULT

3.01 Events of Default. Any of the following events shall be deemed an event of default ("Event of Default") hereunder:

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