

FILED
STATE OF SOUTH CAROLINA GREENVILLE CO. S.C.
) MORTGAGE AND SECURITY AGREEMENT
COUNTY OF GREENVILLE DEC 28 4 25 PM '84

DONNIE S. TANKERSLEY
TO ALL WHOM THESE PRESENTS MAY CONCERN:

Greenville County, South Carolina, a body politic and political subdivision of the State of South Carolina, (hereinafter referred to as Mortgagor) SENDS GREETING:

WHEREAS, H. K. Development Corp. has requested and received a commitment from Greenville County, South Carolina for the issuance of a \$1,000,000.00 Greenville County Industrial Revenue Bond, 1984 (H. K. Development Corp. Project) (the "Bond") the proceeds of which will be loaned by the County to H. K. Development Corp. for the purpose of constructing and equipping a warehouse facility;

WHEREAS, in connection with the issuance by the Mortgagor of its \$1,500,000 Greenville County, South Carolina Industrial Revenue Note (H.K. Development Corp. - Lessee) issued on April 17, 1980 (the "1980 Note") and the issuance by the Mortgagor of its \$1,000,000 Greenville County, South Carolina Industrial Revenue Bond, 1983 (H.K. Development Corp. Project) issued on June 22, 1983 (the "1983 Bond"), H.K. Development Corp. transferred to the Mortgagor title to the premises described in Exhibit A and Exhibit B hereto;

WHEREAS, H. K. Development Corp. has entered into a Loan Agreement with Greenville County, its successors and assigns, dated as of December 1, 1984 (the "Loan Agreement") pursuant to which H. K. Development Corp. has agreed to pay the Mortgagor such sums as are necessary to make the payments owed by the Mortgagor under the Bond;

WHEREAS, The South Carolina National Bank (the "Mortgagee") is the owner of the 1980 Note, the holder of the 1983 Bond, and has agreed to purchase the Bond from the Mortgagor;

WHEREAS, the Mortgagor has assigned its rights under the Loan Agreement to the Mortgagee and endorsed the Note evidencing this payment and obligation to the Mortgagee (the "Note");

WHEREAS, in order to induce the Mortgagee to purchase the Bond from the Mortgagor and as security for the payment of the sums due under the Bond and the Bond Ordinance, the Mortgagor has agreed to mortgage the hereinafter described property to the Mortgagee;

WHEREAS, the Mortgagor is well and truly indebted unto the Mortgagee under this industrial revenue financing in the sum of One Million and No/100ths (\$1,000,000.00) Dollars, with interest thereon as provided in said Bond, said principal and interest to be paid as therein stated;

WHEREAS, the Mortgagor may hereafter become indebted to the said Mortgagee for such further sums as may be advanced to or for the Mortgagor's or H. K.