

FILED  
 STATE OF SOUTH CAROLINA )  
 COUNTY OF GREENVILLE )  
 JUNE 10 02 AM 1983

MORTGAGE AND SECURITY  
AGREEMENT

DONALD S. WATKINS

THIS MORTGAGE AND SECURITY AGREEMENT made this 15<sup>th</sup> day of June, 1983, between ARKON CORPORATION ("Mortgagor"), whose address is Post Office Box 7676, 315 Pendleton Road, Greenville, South Carolina 27610, and MANUFACTURERS HANOVER COMMERCIAL CORPORATION (DEL.) ("Mortgagee"), whose address is 5775-B Glenridge Drive, N.E., Suite 450, Atlanta, Georgia 30328.

W I T N E S S E T H :

WHEREAS, Mortgagor is indebted to Mortgagee in the principal sum of not more than Five Million Dollars (\$5,000,000.00) together with interest thereon, pursuant to that certain Accounts Receivable Financing Agreement dated June 15, 1983, executed by Mortgagor and delivered to Mortgagee (the "Contract") which is incorporated herein by reference to the same extent as though set out in full herein;

NOW, THEREFORE, (a) to secure the performance and observance by Mortgagor of all covenants and conditions contained in the Contract, in any renewal, extension, or modification thereof, in this Mortgage and Security Agreement (the "Mortgage"), and in all other instruments securing the Contract; 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 Contract, or any promissory note or notes, and all renewals, extensions, and modifications 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 maximum principal sum of the Contract, plus interest thereon, all charges and expenses of collection incurred by Mortgagee, including court costs, and reasonable fees to attorneys or other third parties; 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 Dollar (\$1.00) paid by Mortgagee to Mortgagor this date, and for other valuable consideration, the receipt and sufficiency of which are acknowledged, Mortgagor does hereby grant, bargain, sell, alien, remise,

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