

mortgage for State of local purposes, or the manner of collection of any such taxes so as to affect in any manner whatsoever this mortgage or the interest of the mortgagee, the debt secured hereby shall, at the option of the mortgagee, without notice, become immediately due and payable. Provided, however, that if the mortgagor shall agree to pay to the mortgagee such increased or additional taxes, the mortgagee will waive its right to exercise the option given in this paragraph so long as the mortgagor shall comply with its agreement to pay such additional sum or sums.

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And the said mortgagor agrees that it will keep all of its buildings and machinery fully covered by adequate insurance in standard insurance companies or such as may be approved by the mortgagee and to deliver to the said mortgagee the policy of policies with premiums paid and endorsed with loss payable to the said mortgagee in such form as it may require, all renewal policies to be delivered to the said mortgagee at its principal office in the City of Greenville, S. C., at least three day before the expiration of the old policy; and that in the event the mortgagor shall at any time fail to effect such insurance or to pay the premiums therefor, or to deliver such policies with premiums paid as aforesaid, then the said mortgagee may cause the same to be insured and reimburse itself for the premiums and expenses under this mortgage, with interest, which amount shall be a lien on the land herein described. In case of loss and payment by any insurance company, the amount of insurance money shall be applied either on the indebtedness secured hereby, or in rebuilding and restoring the damaged property as the said mortgagee may elect.

In case of default in the payment of any part of the principal indebtedness, or of any part of the interest, at the time the same becomes due, or in case of failure to keep insured for the benefit of the mortgagee, the buildings and machinery on the premises against fire or tornado risk, as herein provided, or in case of failure to pay within the time required by law, any taxes or assessments to become due on said property; in any of said cases the mortgage shall be entitled to declare the entire debt due and to institute foreclosure proceedings.

And in case proceedings for foreclosure shall be instituted, the mortgagor agrees to and does hereby assign the rents and profits arising or to arise from the mortgaged premises as additional security for this loan, and agrees that any Judge of jurisdiction may, at chambers or otherwise, appoint a receiver of the mortgaged premises, with full authority to take possession of the premises, and collect the rents and profits and apply the net proceeds (after paying costs of receivership) upon said debt, interest, costs and expenses, without liability to account for anything more than the rents and profits actually received.

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It is agreed by and between said parties that the mortgagor may from time to time remove any of the machinery and equipment covered by this mortgage and substitute in lieu thereof new machinery and equipment of a similar kind provided, such new machinery and equipment shall be free of encumbrances other than this mortgage and the value of the new machinery and equipment is not less than the value of that so removed, and the machinery and equipment so substituted shall be covered by this mortgage as fully and effectually as though specifically described herein.

Southern Worsted Mills, Inc., agrees that so long as the note secured hereby shall remain unpaid in whole or in part, it will make no payments on account of the principal of those certain "6% Deferred Notes" of the corporation now outstanding, or any other deferred note that may subsequently be issued by Southern Worsted Mills, Inc., and in case of a breach or violation of this covenant, then the whole amount evidenced by said note shall become immediately due at the option of the holder hereof, who may sue thereon and foreclose this mortgage.

PROVIDED ALWAYS, nevertheless, and it is the true intent and meaning of the parties to these presents, that if the mortgagor does and shall well and truly pay or cause to be paid unto the said mortgage the debt or sum of money aforesaid, with interest thereon, if any be due, according to the true intent and meaning of the said note, and any and all other sums which may become due and payable hereunder, the estate hereby granted shall cease, determine and be utterly null and void; otherwise to remain in full force and virtue.

AND IT IS AGREED by and between the said parties that said mortgagor shall