

STATE OF SOUTH CAROLINA)
 :
 COUNTY OF GREENVILLE)

MORTGAGE OF REAL ESTATE

TO ALL WHOM THESE PRESENTS MAY CONCERN:

WHEREAS, SOUTHERN WORSTED MILLS, INC., A Delaware corporation, with its principal office at P.O. Box 2147, Greenville, South Carolina (the "Mortgagor"), is well and truly obligated unto ASSOCIATES COMMERCIAL CORPORATION, a Delaware corporation having an office at 1040 Avenue of the Americas, New York, New York 10018 (the "Mortgagee") in the principal sum of TWO MILLION DOLLARS (\$2,000,000) lawful money of the United States of America, with interest thereon, to be paid in accordance with the terms, covenants and conditions of that certain note (the "Note") of even date herewith made by the Mortgagor to the Mortgagee in said principal amount, which Note is secured by this Mortgage and the terms, covenants and conditions of which Note are hereby made a part hereof;

NOW, KNOW ALL MEN, in order to secure the following (collectively the "Obligations"): the full and prompt payment and performance of all of the indebtedness, obligations and liabilities of the Mortgagor to the Mortgagee, together with all interest and other charges thereon, whether direct or contingent, existing, future, contingent or otherwise, due or to become due, under or arising out of or in connection with (i) the Note, (ii) that certain Loan Agreement (the "Loan Agreement") of even date herewith among the Mortgagee, the

STATE OF SOUTH CAROLINA
 SOUTH CAROLINA TAX COMMISSION
 DOCUMENTARY
 STAMP TAX
 FEB 11 1982
 000000
 02 11 82

3
 3
 0

4328 RV-2