

and that Lessee hereunder has assumed such permanent first mortgage (the "Mortgagee"). In the event of default under the Mortgage (or the note which such Mortgage secures) by Lessee as assumer of the mortgage thereunder, and in the further event of the subsequent acceleration of the indebtedness thereby secured, a default and failure to cure shall likewise be deemed to have occurred hereunder, and this Lease shall be deemed cancelled, and thereupon Lessor shall have all rights and privileges accorded Lessor under Article 19 hereof. It is further understood and agreed that a default hereunder, as set forth in Article 19 hereof, shall likewise and automatically constitute a default under the Mortgage, subject to the terms and provisions thereof.

ARTICLE 27

Title to Improvements

Lessee warrants that it is the owner in fee simple absolute of all improvements, including all buildings, equipment, and fixtures, located on the premises hereinabove described in this Lease Agreement, subject only to (a) Mortgage and Security Agreement and U. C. C. Financing Statement from Robert L. Watkins, Jr., Tamara A. Watkins and Haloh, Inc. to the Citizens and Southern National Bank of South Carolina, Greenville, South Carolina, which mortgage is dated June 15, 1971 and recorded in the R. M. C. Office for Greenville County in Mortgage Book 1195, at Pages 71 through 77 inclusive and which mortgage has been modified by modification agreement dated the 1st day of March, 1972, and recorded in the R. M. C. Office for Greenville County in Mortgage Book 1226, at Pages 77-80.

(b) Mortgage and Security Agreement and U. C. C. Financing Statement from Robert L. Watkins, Jr., Tamara A. Watkins and Haloh, Inc., to Equipment Leasing Corporation of S. C., and Triangle Construction Company, Inc. dated the 15th day of March, 1972, and recorded in the R. M. C. Office for Greenville County in Mortgage Book 1226, at Page 17.

(c) Security Agreement and U. C. C. Financing Statement from Robert L. Watkins, Jr., Tamara A. Watkins and Haloh, Inc. due to the Citizens and Southern National Bank of South Carolina, Greenville, South Carolina, dated June 22, 1972 (covering the air-conditioning units).

(d) Security Agreement and U. C. C. Financing Statement from Robert L. Watkins, Jr., Tamara A. Watkins and Haloh, Inc. to Equipment Leasing Corporation of S. C., and Triangle Construction Company, Inc. dated June 22, 1972 (covering 102 air-conditioning units).

(CONTINUED ON NEXT PAGE)