

Section 12. The Company covenants and agrees that it will furnish the Trustee with a complete audit and financial statement of the Company at least once each year by an accountant or accountants approved by the Trustee.

Section 13. The Company covenants and agrees that commencing on the 1st day of January, 1927, it will pay to the Trustee to be deposited in The South Carolina National Bank of Charleston, in monthly payments on the first day of each and every month, as long as any of the bonds are outstanding and unpaid, a sufficient amount of money to cover the interest payments and the payments of principal becoming due in each year with the exception of the year 1941, during which year the monthly payments are to be at the same rate as will be paid during the year 1940, and upon which sums of money so deposited by the Trustee the said The South Carolina National Bank of Charleston will pay to the Trustee interest on said deposits at the rate of 4%, payable quarterly, under the same terms and conditions as interest is now paid by the said Bank upon savings deposits, and which sums of money so paid to the Trustee shall, prior to its actual payment to holders of maturing bonds and/or coupons, be held by the Trustee as part of the Trust Estate for the security and protection of all the outstanding bonds.

ARTICLE V.

REMEDIES OF TRUSTEES AND BONDHOLDERS IN EVENT OF DEFAULT.

Section 1. In case default shall be made in the payment of any of the bonds, as they may severally become due and payable; or in case default shall be made in the payment of any interest due on any of said bonds, and any such default shall have continued for sixty days, or if the Company shall suffer any taxes, assessments or other charges to remain in arrears for sixty days, after the date the same are due and payable (unless payment of same is, in good faith, contested and security furnished if required); or if the Company shall fail or refuse to perform any of the covenants, agreements or stipulations herein, or in said bonds contained, on its part to be kept and performed (except in respect of payment of principal when due) and any such last mentioned default shall have continued for sixty days after written notice thereof shall have been given to the Company by the Trustee; then and in any and every such case, the Trustee may, and upon the written request of the holders of 25% in amount of the bonds hereby secured then outstanding, shall, declare the principal of all bonds hereby secured and then outstanding to be due and payable forthwith, and upon any such declaration the same shall become and be due and payable immediately, anything in this Indenture or in said bonds to the contrary notwithstanding. But if at any time after such declaration the principal of any series of bonds past due and unpaid and all arrears of interest upon all outstanding bonds, with interest on over-due instalments of interest and the expenses of the Trustee, shall be paid by the Company or collected out of the mortgaged property, and any other default or defaults adjusted and remedied before any sale of the property shall have been made, then the holder or holders of a majority in amount of the said outstanding bonds by written notice to the Company and to the Trustee may waive all such defaults previously accruing and obtain a rescission of such declaration. Such action shall not be deemed or taken to relate to or affect any subsequent default, or any right arising hereunder. In case the Trustee shall have proceeded to enforce any right under this Indenture, by foreclosure or entry or otherwise, and such proceedings shall have been discontinued or abandoned because of such rescission or annulment, or for any other reason or shall have been determined adversely to the Trustee, then and in every such case the Company and the Trustee shall be restored to their former position, and the rights hereunder in respect of the mortgaged premises and all rights, remedies and powers of the Trustee shall continue as though no such proceedings had been taken.

Section 2. In case of default in payment of the principal of any of said bonds, as and when the same shall become due and payable, whether by lapse of time, or by default and election, as specified in Section I hereof; or in case of default in payment of any interest, as the same may become due and payable, and the same shall remain unpaid and in arrears for sixty days; or in case of default for sixty days shall be made in the payment of any taxes, assessments or charges imposed or assessed upon the property hereby mortgaged, or the Company or its income, after same becomes due and payable (unless payment of same is, in good faith, contested and security furnished if required); or in the event of the failure or refusal on the part of the Company to keep or perform any of the stipulations, covenants or agreements herein, or in said bonds contained, on its part to be kept and performed, and any such failure or refusal shall have continued for sixty days after written notice thereof shall have been given to the Company by the Trustee; then and in such case the Trustee may, and upon written request of 25% in interest of the holders of all of said bonds outstanding at the time of such default, and upon being suitably indemnified against the costs and expenses which it may incur in acting in pursuance of such request, shall have and exercise any one or more of the following rights:

(A) The Trustee shall be entitled as a matter of right to have a receiver appointed, to forthwith take possession of all of the mortgaged property and to collect and receive all income, rents, issues and profits of the same and every part thereof subject to this Indenture, and after deducting all payments which may be due for taxes, assessments, insurance and prior or other proper charges upon the said premises and property or any part thereof, as well as just and reasonable compensation for its own services and for the receiver, Counsel, agents and employees by him properly employed in connection with the trust property and premises, it shall apply the monies arising as aforesaid as follows:

(a) In case the principal of the bonds hereby secured shall not have become due, to the payment of the interest in default, in the order of the maturity of the instalments of such interest (with interest on the overdue instalments at the rate borne by the bonds upon which such instalments shall be overdue); such payments to be made ratably to the persons entitled thereto, without discrimination or preference;

(b) In case the principal of any of the bonds hereby secured shall have become due, by declaration or otherwise, first to the payment of the accrued interest (with interest on the overdue instalments thereof at the rate borne by the bonds upon which such instalments shall be overdue) in the order of the maturity of the instalments, and next to the payment of the principal of all bonds hereby secured which have become due; in every instance such payments to be made ratably to the persons entitled to such payment without discrimination or preference.

In case all the said payments shall have been made in full, and no suit to foreclose this Indenture shall have been begun, the Trustee, after making such provisions as to it may deem advisable for the payment of the next semi-annual instalment of interest to fall due, shall restore to the party of the First Part, its Successors or Assigns, the possession of the premises, estate and property hereby mortgaged. This power may be exercised as often as occasion therefor shall arise, pending this trust, and the Trustee may, as long as any principal or interest remains in default, continue to exercise the power herein granted for such period or periods of time as it may deem expedient, unless and until the holders of a majority in amount of the bonds secured hereby, then outstanding, shall otherwise in writing request.

(B) The Trustee may proceed to protect and to enforce its rights and the rights of the bondholders under this Indenture, by suit or suits in equity or at law, whether for the specific performance of any covenant or agreement contained herein or in aid of the execution of any