

## MORTGAGE OF REAL ESTATE

successors and assigns, will warrant and forever defend all and singular the said premises and property unto the said trustee, its successors and assigns, against the company and its successors and against every person whomsoever lawfully claiming or to claim the same or any part thereof.

Section 2. The company duly and punctually will pay the principal and interest of each and every of the notes at the dates and places and in the manner mentioned in said notes upon presentation and surrender of the notes as they respectively shall mature, without deduction from either interest or principal for any tax or taxes which the company, its successors and assigns, may be required to pay thereon or to retain therefrom under any present or future law of the United States of America, or of any State, County or Municipality therein.

Section 3. The company will not, directly or indirectly, extend or assent to the extension of the time for payment of interest upon any note issued hereunder.

Section 4. The company will and shall pay and discharge, or cause to be paid and discharged from time to time as the may become due and payable, all lawful taxes, assessments and charges lawfully imposed upon the property, or any part, thereof, belonging to it, or upon the income therefrom, or the business carried on by the company, or its right to do business as, or be, a corporation; provided, however, that the company in good faith and by appropriate legal proceedings, shall have the right to contest any such taxes, assessments or charges, and during such contest to delay the payment thereof.

Section 5. The company shall and 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 trustee, in an amount not less than the face amount of this mortgage, and with the loss payable thereunder to the trustee for the benefit of the holders of the notes issued hereunder which, at the time of such loss, may be outstanding. The company, however, shall have the right, in case of any such loss, if it so elects, to use the proceeds of such insurance to rebuild or replace its property so damaged or destroyed, provided, within sixty days of such loss, it gives notice in writing to the trustee of its election so to do.

Section 6. In case of any default upon the part of the company in payment of any taxes insurance premiums, or other charges referred to in Sections 4 and 5 of this Article, the trustee or noteholders may, if they so elect, advance sufficient funds for the payment thereof and shall be protected under the terms of this mortgage for any sums of money so paid and shall be entitled to be repaid therefor out of the first moneys arising from a sale of the property. This shall not be construed, however, as requiring either the trustee or the noteholders to make any such advances.

Section 7. The company further covenants that as long as any of the notes issued hereunder shall be outstanding it will at least ten days before the maturity date of any of the said notes an/or interest thereon deposit with The South Carolina National Bank of Charleston (Greenville Branch), or its successors a sum sufficient to pay such maturing notes and/or interest which shall be paid out either by check of the company or of the said bank to the registered holders of said notes as shown on the books of registration at the close of business five days prior to the due date, in accordance with the proportionate rights of said noteholders.

Section 8. The company further covenants that this Indenture is, and will be kept, a first lien upon all the premises and property described or mentioned in the granting clause hereof, and that it will not voluntarily create, or suffer to be created, or to arise any lien or charge having priority or preference over the lien of these presents upon the mortgaged premises and property, or any part thereof; and that within three months after the same shall accrue it will pay, or cause to be discharged, or will make adequate provision for the satisfaction or discharge of all lawful claims and demands, which, if unpaid, might by law be given precedence over this Indenture as a lien or charge upon the mortgaged premises, or any part thereof, or the income thereof.

Section 9. So long as any of said notes remain outstanding the company will not make any sale, lease or other disposition of the mortgaged property or any substantial part thereof (except in accordance with the provisions for release hereinafter contained), nor consolidate, nor merge, without requiring the express assumption of this mortgage and the debt secured hereby.

Section 10. The Company further covenants that so long as any of the notes issued hereunder <sup>remain</sup> outstanding it will furnish the Trustee as soon as practicable after the close of each fiscal year a complete audit of its books and accounts certified by an auditor satisfactory to the Trustee, showing the financial condition of the Company as at the end of the fiscal year, and including the income and expense account for such fiscal year. The Company shall furnish the Trustee such additional duly authenticated statements from time to time as it may require, and the annual audit and such other financial statements as may be filed by the Company shall be held by the Trustee subject to inspection by any registered noteholder.

## ARTICLE III.

REDEMPTION OF NOTES.

Section 1. The company reserves the right to call any or all of the notes secured by this Indenture and to redeem the same by payment on any interest date, of principal and accrued