

interest, or giving thirty (30) days' notice as hereinafter provided, In the event the company elects to redeem the whole or any part of the notes secured hereunder, it shall notify the Trustee in writing of the amount of notes which it desires to redeem stating on what date, not less than forty (40) days from such notice, it desires to redeem same. If less than all the notes then outstanding are to be called for redemption, the notes so to be called and redeemed shall be selected by the Trustee by lot, provided further that all of the notes of Series "A" shall be redeemed in full before any notes of Series "B" shall be called for redemption. When notes are to be called for redemption the Trustee shall publish notice thereof stating the time and place or places for payment, and if less than all are called, then by also giving the series and individual numbers of the notes so called for redemption. Such notice shall be published once a week for four successive weeks prior to the date for redemption, in a newspaper published in Greenville, South Carolina, the first of each of such publications to be at least thirty (30) days before the day fixed for payment.

A like written notice shall be mailed by the Trustee to the holders of notes at their last address appearing on the note register of the Trustee not less than thirty (30) days prior to the date fixed for redemption.

Where such notes are to be called and redeemed at the election of the company, the company shall deposit with the Trustee not less than ten days before the redemption date, an amount of cash sufficient to effect the redemption of the notes specified in such notice.

Notes so called for redemption shall, on the date designated in such notice, become due and payable at the redemption price, and from and after the date so designated (unless the Company shall make default in deposit of the moneys for the payment of said notes) interest on the notes so called for redemption shall cease. Notes so called, if not presented for redemption on the designated date, shall be excluded from participation in the lien afforded by this mortgage, and the holders thereof shall be entitled to look for payment only to the sums so deposited by the company with the Trustee for the payment of such notes, which sums shall be held by the Trustee as depository to be used and applied by it solely for the redemption of the designated notes.

The right is further reserved to the company to purchase in open market at any time any note or notes of either Series "A" or Series "B" at not exceeding the face amount thereof plus accrued interest.

All notes redeemed hereunder, whether purchased in open market or called as herein provided, shall upon payment thereof be delivered to the Trustee and cancelled forthwith.

ARTICLE IV.
AS TO THE TRUSTEE.

(1) In case default is made in the payment of any of the interest upon any notes issued hereunder as and when the same shall become due, and such default shall continue for a period of ten (10) days after the same should have been paid, or in case default is made in the payment of the principal of any of said notes issued hereunder, or if the Company should commit any breach of any covenant herein contained and such breach shall continue for a period of thirty days after the receipt by the company of a written notice thereof from the Trustee, then the Trustee in its discretion may, and upon the request in writing of not less than twenty (20%) per cent in amount of the notes then issued and outstanding hereunder, shall declare the principal of all notes issued hereunder and then outstanding to be due and payable immediately, and upon such declaration, the same shall become due and payable immediately, anything in this Indenture or anything in said notes to the contrary notwithstanding.

If the Company shall fail to pay any amounts due from it by the terms of this Indenture when the same shall be due and payable, the Trustee in its own name and as Trustee of an express trust shall be entitled and empowered to institute such proceedings at law or in equity as may be necessary or proper for the collection of the sum so due and unpaid, including appropriate judicial proceedings for the foreclosure of this mortgage deed of trust and the sale of the property covered hereby, and may prosecute any such action or proceedings to judgment or final decree, and may enforce any such judgment or final decree against the Company and collect the moneys in the manner provided by law. All rights of action under this indenture or any of said notes may be enforced by the Trustee without the possession of any of the notes or the production thereof at any trial or other proceedings; and any such proceedings instituted by the Trustee shall be brought in its name as Trustee, and any recovery of judgment shall be for the equal and ratable benefit of the owners of said notes. All moneys collected by the Trustee shall be applied: (a) To the payment of costs and expenses, including the reasonable compensation of the Trustee, its agents, attorneys and counsel, and of all expenses, liabilities and advances made or incurred by the Trustee; (b) to the payment of the whole amount then owing unpaid upon the notes, equally to the payment of principal and interest without preference or priority of principal over interest or interest over principal or any installment of interest over any other installment of interest, ratably to the aggregate amount of such principal and interest due and unpaid.