

and by appropriate legal proceedings contest the validity thereof, and provided that such reasonable security for the payment thereof shall be given as the Trustee shall require, and that it will duly and punctually perform and keep all the covenants and conditions contained and set forth herein, as well as those upon or under which any property rights covered or affected hereby are held.

*Section 3.* The Company covenants that it has good right, full power and lawful authority to grant and convey and pledge the premises and property and estate hereby conveyed by it, in the manner and for the purposes aforesaid; that it has done no act to incumber said property other than this Indenture, and that it will forever warrant the title to the property hereby conveyed, or intended so to be, against the claims and demands of all persons whatsoever, and its freedom from incumbrances, except as specified in accordance herewith.

*Section 4.* That it will cause this Indenture to be duly and punctually recorded as a Mortgage of Real Estate and personal property in such manner and in such place as may be required by law in order to fully preserve and protect the security of the bondholders, and all rights of the Trustee, and that it will, from time to time, on the request of the Trustee, execute, acknowledge and deliver such further instruments and assurances for the better conveying and assuring to the Trustee and its successors in the trust, all the property hereby mortgaged and conveyed, or intended so to be, as by the Trustee or its Successors may be reasonably required.

*Section 5.* In order to prevent any accumulation after maturity of coupons, the Company agrees and covenants that it will not, directly or indirectly, extend or assent to the extension of the time for payment of any coupon upon any bond secured hereby; and that it will not, directly or indirectly, be a party to or approve any such arrangement by purchasing or funding said coupons, or in any other manner, and that in case the time of payment of any such coupons should be extended such coupons shall not be entitled, in case of default hereunder, to the benefit or security of this Instrument, except subject to the prior payment in full of the principal of all bonds issued hereunder, then outstanding, and of all matured coupons of such bonds, the payment of which has not been so extended. But the foregoing provisions shall not apply to or affect any extension of the time of payment of any such coupons, by the holders thereof with the consent in writing thereto of the holders of at least 75% of all the Bonds secured hereby, then outstanding, provided such written consent shall be filed with the Trustee. And in case of any default in the payment of the interest or principal of any of said bonds, or in the performance of any covenant or agreement herein expressed, the Trustee may, with the like consent of the holders of 75% in amount of the bonds secured hereby and then outstanding, waive such default and make such agreements with the Company, or with any successor to, representative or receiver of the Company, as it may deem wise in regard to such default, and in regard to the remedies to be pursued by the Trustee or by the bondholders on account of any such default. But no such agreement or action by the Trustee shall affect the time of maturity or the amount of principal or interest to be paid on any such bond or coupon without the assent of the holder thereof. The Trustee shall be protected and released from all liability, in treating as holders of any bonds those shown by affidavit or by other proof satisfactory to the Trustee, to be such holder.

*Section 6.* That it will at all times maintain, preserve and keep the mortgaged premises, and every part thereof, with the appurtenances and every part and parcel thereof, in thorough repair and condition; and from time to time make all needful and proper repairs, so that at all times the value of the security for the bonds issued hereunder and of the property hereby mortgaged shall be fully preserved and maintained.

*Section 7.* That until all the bonds hereby secured, together with the interest thereon, shall be fully paid and satisfied, the Company will make all reports and will comply with all laws, acts, rules, regulations and orders of any national, state, legislative, executive, administrative or judicial body, or officer, exercising any power of regulation or supervision over it, or any part of the trust estate; provided, however, that the Company may in good faith contest any such law, act, rule, regulation or order in any lawful and reasonable manner which will not endanger or subject to forfeiture the title of the Trustee to any part of the trust estate.

*Section 8.* The Company covenants and agrees that it will, at all times during the existence of any of the indebtedness secured hereby keep, or cause to be kept, adequately insured against loss by fire and damage by tornado, in an amount at least equal to the amount of bonds outstanding, in well established companies authorized to do business in the State of South Carolina, all insurable property of the Company and shall cause such insurance to be made payable in case of loss, to the Trustee hereunder, and to the Company, as their interest may appear, by proper stipulations inserted in the policies, such policies to be delivered to and to be held by the said Trustee, and in case of loss all insurance monies due on said policies shall be paid to the Trustee.

*Section 9.* In case of loss, the Trustee shall allow the insurance money received by it on any policy of insurance of the property above required to be insured, procured by said Company, to be applied by said Company towards the replacement of or additions to, the property destroyed or injured, if the Company shall in writing by its President or Vice-President, so request. And thereafter, from time to time, the Trustee shall pay over to the Company for that purpose any or all such insurance received on policies procured by the Company; but no such insurance money shall be paid over until the Company shall present to the Trustee a statement, verified by the Affidavit of its President or Vice-President, and an engineer or architect satisfactory to the Trustee, showing that the Company has theretofore made actual expenditures to an amount not less than the amount of the insurance money sought to be obtained from the Trustee in or about the replacement of the property destroyed or damaged. The Company agrees that it will, with the utmost expedition reasonably possible, repair or replace any property so destroyed or injured.

*Section 10.* In case of any loss covered by any policy of insurance, any appraisal or adjustment of such loss and settlement and payment of indemnity therefor, which may be agreed upon between the Company and any insurance Company, may be consented to and accepted by the Trustee, and the said Trustee shall in no way be liable or responsible for the collection or adjustment of any insurance in case of any loss.

*Section 11.* The Trustee shall not be under duty to insure any of the mortgaged premises or property, but may in its discretion and if furnished with funds or indemnified to its satisfaction by any of the bondholders, shall insure any of said mortgaged property or premises against fire or tornado to the extent hereinbefore provided, in case the Company shall fail to so insure the same, and deposit the policies for such insurance with the Trustee. Any premiums so paid for such insurance shall be a first lien on the property and premises mortgaged hereunder and shall be secured hereby, and shall take precedence of any amounts due on the bonds and coupons secured hereby and shall be immediately repayable by the Company to the Trustee upon demand therefor, with interest at Six and one-half (6½%) per cent from the date such payment may have been made by the Trustee. In case of the failure of the Company to repay same to the Trustee within sixty days after written demand mailed to or served upon the Company, such failure to repay shall constitute a default hereunder, entitling the Trustee to enter and take possession, to sell and to bring proceedings to foreclose, and to exercise all the other rights given hereunder in case of default on the part of the Company.