

MORTGAGE OF REAL ESTATE

37276 PROVINCE-LANARK CO.-GREENVILLE

ment of the same satisfactory to the Trustee shall, if requested by the Trustee, be provided; (c) that there are not now outstanding, and that the Company will not at any time create or allow to accrue or exist, any liens prior to the lien of this indenture upon the mortgaged property or any part thereof, save only any mortgage or mortgages on any property hereafter acquired by the Company subject to which such property may be acquired and liens for taxes and assessments which are not delinquent; and (d) that neither the value of the mortgaged property nor the lien of this indenture will be diminished or impaired in any way as a result of any action or nonaction on the part of the Company.

Section 7.05 The Company covenants that it will not go, or suffer itself to be paid, into bankruptcy or insolvency, or cause or permit a receiver to be appointed of or for itself or its property, or any part thereof, or cause or permit to be filed a petition for relief or reorganization under the provisions of Section 773 of Chapter VIII of the Bankruptcy Act, as the same may be from time to time amended, or cause or permit a trustee of or for itself or its property, or any part thereof, to be appointed in any such proceeding.

Section 7.06. The Company covenants that all underlying bonds which may be secured by lien upon any part of the mortgaged property acquired by the Company after July 1, 1936, will be paid, or refunded under and in accordance with the provisions of this indenture, at or before the respective maturities of such bonds; and that all of the covenants, conditions and agreements of each underlying mortgage will in all respects be fully complied with.

The Company further covenants that it will, forthwith upon the acquisition of any property subject to the lien of any mortgage or other indenture securing bonds or other evidences of indebtedness, cause each such mortgage or other indenture to be closed and will file with the trustee or mortgagee thereunder an instrument of closure, and will permit no additional bonds or other evidences of indebtedness ~~to be issued thereunder nor any additional indebtedness~~ in any manner to be secured thereby; but nothing herein contained shall be taken to prevent the issuance of bonds or other evidences of indebtedness under any such underlying mortgage for the purpose of replacing any lost, mutilated or stolen bonds or other evidences of indebtedness or of effecting such exchanges as may be permitted by such mortgage or other indenture.

The Company further covenants that it will acquire no properties subject to the lien of any underlying mortgage if such acquisition would operate to increase the aggregate principal amount of all then underlying bonds (other than underlying bonds for the purchase, payment or redemption of which cash in the necessary amount shall have been irrevocably deposited with the trustee or mortgagee under the underlying mortgage or mortgages securing the same and other than underlying bonds deposited with the Trustee hereunder) to an amount greater than fifteen per cent (15%) of the aggregate principal amount of all bonds at the time issued and outstanding under this indenture.

Section 7.07 The Company covenants that it will, subject to the provisions of section 12.09 hereof, at all times maintain its corporate existence and right to carry on business; that its business will be carried on and conducted in any efficient manner; that all property, plants, appliances, systems and equipment of the Company useful and necessary in the carrying on of its business will be kept in thorough repair and maintained in a state of high operating efficiency corresponding to the progress of the industry; that it now has complete and lawful authority and privilege to maintain and operate its entire plants and properties, and that no right, franchise or privilege of the Company will be allowed to lapse or be forfeited so long as the same shall be necessary for the carrying on of the business of the Company or any part thereof; provided, however, that the expiration by lapse of time of any right, franchise or privilege shall not constitute a violation of this covenant, but the Company hereby expressly covenants that the Company will exercise its best endeavors and any and every proper means to procure extension or renewal of each and every such right, franchise or privilege so expiring and necessary or desirable for the maintenance of any of its plants or properties or any part thereof.

Section 7.08. The Company covenants that it will not, except as herein allowed, do or suffer to be done any act or thing whereby the lien hereof might or could be impaired and that it will at all times maintain, preserve and keep the mortgaged property and every part thereof, with the fixtures and appurtenances thereof, in thorough repair, working order and condition; and that it will from time to time make all needful and proper repairs, renewals, replacements, additions, betterments and improvements, so that the operations and business thereof and every part thereof shall at all times be conducted with safety and expedition; and whenever any portion of the mortgaged property or said fixtures or appurtenances shall be worn out or destroyed or shall have become obsolete, inefficient or otherwise unfit for use it will procure substitutes so that at all times the value and capacity of said mortgaged property and the fixtures and appurtenances thereof shall be fully kept up; and at all times it will use and apply for that purpose so much of the revenues of the mortgaged property as may be required.

SECTION 7.09. The Company further covenants that it will not declare or pay any cash dividends on any of its capital stock at any time outstanding, except out of net earnings subsequent to July 1, 1936, property applicable to such dividend payments, after deducting reasonable and proper depreciation charges.

Section 7.10 The Company covenants that if it shall acquire any property subject to any lien