

MORTGAGE OF REAL ESTATE

37276 PROVINCIAL-BARRARD CO.-GREENVILLE

Affidavit of its President or Vice-President and an engineer or architect satisfactory to the Trustee, showing that the Company has therefore made actual expenditures to an amount not less the amount of the insurance money sought to be obtained from the Trustee in or about the replacement to 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 and policy of insurance, any appraisalment 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 Four and one-half (4½%) 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 Trustees 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.

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 as long as any of the bonds issued hereunder shall be outstanding it will, at least fifteen days before the first day of May and November in each year pay to the Trustee to be deposited in The South Carolina National Bank of Charleston an amount equal to the semi-annual interest coming due on the next succeeding interest date, which sum of money so paid to the Trustee shall, prior to its actual payment to the holders of the coupons on said First Mortgage Bonds, be held by the Trustee as part of the trust estate for the security and protection of the holders of said coupons.

ARTICLE V.

REMEDIES OF TRUSTEES AND BONDHOLDERS IN EVENT OF DEFAULT.

Section 1. In case default be made in the redemption of any part or all of the aggregate principal amount of bonds required to be redeemed in any one year, or in case default shall be made in the payment of any interest due on 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