

MORTGAGE OF REAL ESTATE

37276 PROVENCE-LARRARD CO.-GREENVILLE

fully paid and discharged; and, unless otherwise provided, the Mortgagor shall not be obligated hereunder to pay any sums whatever except from the revenues of the Mortgagor derived from or through the use of the Mortgaged Property, and from the proceeds of any sale of said Mortgaged Property.

Section 4. The Mortgagor represents that there are no equities in favor of any person who-soever to which any of the outstanding Bonds or the Amended Mortgage are subject.

Section 5. The Mortgagor does hereby confirm unto the Mortgagee and its assigns forever upon the terms and provisions herein contained, the outstanding Bonds and the Amended Mortgage securing the same upon the premises and property hereinabove described and stipulates that it is forthwith estopped to deny that the Government is now the lawful owner for value of the outstanding Bonds and that the Mortgagee is now the lawful owner for value of said Amended Mortgage for the purposes and subject to the provisions of the Amended mortgage.

Section 6. The Mortgagor warrants that it has good right and lawful authority to mortgage the property mentioned, described, or referred to in the granting clauses of this Indenture for the purposes herein expressed; and that the said property is free and clear of any deed of trust, mortgage, lien, charge, or encumbrance thereon or affecting the title thereto, except the lien of the Amended Mortgage and taxes or assessments not yet due, and except as the foregoing may be qualified in the granting clauses hereof. The Mortgagor will maintain and preserve the first lien of the Amended Mortgage so long as any of the bonds shall be outstanding, and will forever warrant and defend the title to the property described as being mortgaged by the Amended Mortgage to the Mortgagee against any and all claims and demands whatsoever.

Section 7. The Mortgagor at the time of the execution and delivery of the Mortgage was duly authorized under its certificate of incorporation and by laws and the laws of the State of South Carolina and all other applicable provisions of law to execute and deliver the First Bond and is presently authorized under its certificate of incorporation and by laws and the laws of the State of South Carolina and all other applicable provisions of law to execute and deliver the Second Bond, the Third Bond and this Indenture and to execute and deliver the additional bonds and bonds in renewal thereof or substitution therefor; and all corporate action on its part for the execution and delivery of the outstanding Bonds and of this Indenture has been duly and effectively taken; and the outstanding Bonds and the Amended Mortgage are and will be valid and enforceable obligations of the Mortgagor in accordance with their respective terms and provisions.

Section 8. The Mortgagor will at all times, so long as any of the bonds shall be outstanding, take or cause to be taken all such action as from time to time may be necessary to preserve its corporate existence and all franchises, rights of way, easements, permits, and licenses now or hereafter to it granted or upon it conferred in connection with the electric transmission and distribution lines or systems described in the granting clauses of this Indenture, and will at all times maintain and preserve the Mortgaged Property and each and every part and parcel thereof in good repair, working order, and condition and will from time ^{to time} make all needful and proper repairs, renewals, and replacements and useful and proper alterations, additions, betterments, and improvements therein.

Section 9. The Mortgagor will comply with all valid laws, ordinances, regulations, and requirements applicable to it or the Mortgaged Property, and will use all reasonable diligence to furnish the customers served by it through the Mortgaged Property with an adequate supply of electric energy, and will (subject to contingencies beyond its reasonable control) at all times keep its plants and the Mortgaged Property in continuous operation.

Section 10. The Mortgagor will not at any time create or suffer to be created or exist any lien or charge upon the Mortgaged Property, or any part thereof, or upon the income therefrom, except the lien created by the Amended Mortgage and any mortgage or supplemental document or instrument executed, acknowledged, and delivered pursuant to the Amended Mortgage, and the Mortgagor will promptly pay or discharge any and all obligations for or on account of which any such lien or charge might exist or could be created and any and all lawful taxes, levies, assessments, liens, claims, or other charges imposed upon or accruing upon the Mortgaged Property, or any part thereof (whether taxed to the Mortgagor or to any bondholder), or the franchises, earnings, or business thereof, as and when the same shall become due and payable; and whenever called upon so to do the Mortgagor will furnish to the Mortgagee adequate proof of such payments or discharge.

Section 11. Except as specifically authorized by the holders of not less than a majority in principal amount of the bonds at the time outstanding the Mortgagor will purchase all materials, equipment, and replacements to be incorporated in or used in connection with the Mortgaged Property outright, and not subject to any conditional sales agreement, chattel mortgage, bailment lease, or other agreement reserving to the seller any right, title, or lien.

Section 12. The Mortgagor shall take out and maintain adequate workmen's compensation insurance for all employees at any time working for it, and public liability insurance in an amount not less than twenty-five thousand dollars (\$25,000) to cover injuries to persons, but not in excess of four thousand dollars (\$4,000) per person; and for injury causing death to any one person not less than twenty-five thousand dollars (\$25,000) limiting the payment to the amount