

hereby mortgaged, or which shall hereafter be subjected to the lien of this Indenture, in the construction or acquisition of additional and other improvements, equipment, and the purchase of additional property or properties.

Immediately upon the execution of this mortgage, and the recording of same in the office of the Register of Mesne Conveyances of Greenville County, South Carolina, upon due request, and in compliance with the terms herein mentioned, the Trustee shall duly authenticate and deliver, as herein provided, bonds, the par value of which shall aggregate the amount of bonds which the Company shall be entitled to have authenticated and delivered to it, according to the terms hereof.

None of the bonds so to be authenticated and delivered by the Trustee under the provisions of this section, shall be authenticated and delivered by the Trustee excepting upon a resolution of the Board of Directors of the Company adopted by the affirmative vote of at least two-thirds of all the members of the Board, calling for such authentication and delivery to such officers of the Company as the Board may direct in said resolution and the receipt of said officer or officers shall be full and complete receipt for same.

The Trustee shall in no wise be responsible for the application of the proceeds of any bonds which may be authenticated and delivered by it in accordance with the provisions of this article.

Sec. 3. In case any bond issued hereunder with the coupons thereto appertaining, shall become mutilated or be destroyed or lost, the Company, in its discretion, may execute and thereupon the Trustee shall authenticate and deliver, a new bond of like tenor and date, bearing the same serial number, in exchange and substitution for and upon cancellation of the mutilated bond and its coupons; or, in lieu of, and substitution for, the bond and its coupons, so destroyed or lost, upon receipt of evidence satisfactory to the Company and to the Trustee, of the destruction or loss of such bond and its coupons, and upon receipt also of indemnity satisfactory to each of them.

ARTICLE SECOND

The Company hereby covenants and agrees:

Sec. 1. That it will duly and punctually pay, or cause to be paid, to every holder of any bond issued as herein provided, the principal and interest accruing thereon, at the dates and place and in the manner mentioned in such bonds or in the coupons thereto belonging, according to the true intent and meaning thereof, without deduction from either principal or interest for any tax of taxes imposed by the United States of America, or by any State, County, or Municipality therein, which the Company may be required to pay thereon or to retain therefrom under or by reason of any present or future law: The said Company hereby agrees to pay or refund to the holder hereof, the normal Federal Income Tax not to exceed two (2) per centum, and to further pay or refund to the resident holder hereof, all taxes, assessments and governmental charges, which shall or may be assessed upon or against this bond or the resident holder hereof, not to exceed four (4) mills, for Pennsylvania, Connecticut, and Vermont; four and one-half (4½) mills for Maryland; five (5) mills for District of Columbia; not to exceed three (3%) per centum of interest per annum for New Hampshire State Tax; not to exceed six (6%) per cent. of interest per annum for Massachusetts State Income Tax, upon proper notice as provided in the Indenture of Mortgage or Deed of Trust hereinafter mentioned, and, when and as paid, all such coupons shall be forthwith canceled.

Sec. 2. That it will not, directly or indirectly, extend or assent to the extension of the time for payment of any coupons upon any bonds secured hereby, and that it will not, directly or indirectly, be a party to any arrangement therefor by purchasing or funding said coupons or in any other manner. In case the payment of any such coupons should be so extended, whether or not by or with the consent of the Company, such coupons so extended, shall not, nor shall any coupon belonging to any bond hereby secured, which in any way at or after maturity, shall have been transferred or pledged separate and apart from the bond to which it relates, unless accompanied by such bond, be entitled, in case of default hereunder, to the benefit or security of this Indenture, except subject to the prior payment in full of the principal of all bonds issued hereunder and outstanding, and of all coupons on such bonds, the payment of which has not been so extended; the intention of this agreement being to prevent any accumulation of coupons after maturity thereof.

Sec. 3. That it will keep at its office to be maintained by it in the City of Spartanburg, S. C., a sufficient register or registry of bonds issued hereunder which shall, at all reasonable times, be open for inspection by the Trustee and by any holder of bonds issued hereunder, and that upon presentation for such purpose, it will register, or cause to be registered therein, under such reasonable regulations as it may prescribe, any bonds issued under the provisions hereof. The holder of any bond issued hereunder may have the ownership thereof registered on said books and noted on such bond, after which no transfer shall be valid unless made on said books by the registered holder thereof in person, or by his attorney duly authorized, and noted on said bond; but the same may be discharged from registry by being in like manner transferred to bearer, and thereby transferability by delivery shall be restored; but such bond may again, and from time to time, be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the coupons, but every such coupon shall continue to pass by delivery and shall remain payable to bearer.

Sec. 4. That this indenture is, and always will be kept, a first lien upon all the premises and property described or mentioned in the granting clauses hereof now owned by the Company and upon all renewals and replacements of such premises and property; and that it will not voluntarily create or suffer to be created, or to arise, any lien or charge having priority to, or preference over the lien of these presents upon the mortgage premises and property, or any part thereof; and that within three months after the same shall accrue, it will pay or cause to be discharged, or will make adequate provision for the satisfaction or discharge of all lawful claims and demands of mechanics, laborers and others, which, if unpaid, might by law be given precedence to this Indenture as a lien or charge upon the mortgaged premises and property or any part thereof, or the income thereof.

Sec. 5. That it will do, execute, acknowledge and deliver, or will cause to be done, executed; acknowledged and delivered, all and every such further acts, deeds, transfers and assurances for the better assuring, conveying, confirming and maintaining unto the Trustee all and singular the premises, estates and property hereby conveyed, or intended so to be, as the Trustee shall reasonably require for better accomplishing the provisions and purposes of this Indenture, and for securing payment of the principal and interest of the bonds hereby secured.

Sec. 6. That it will from time to time pay and discharge all rentals, taxes, assessments and governmental charges lawfully imposed upon the premises and property hereby mortgaged or upon any part thereof, or upon the income and profits thereof, and all taxes lawfully imposed upon this Indenture or upon any debt or obligation hereby secured, the lien of which would be prior to the lien hereof, so that the priority of this Indenture shall be fully preserved in respect of such premises and properties, and will also pay and discharge all taxes, assessments and