

Section 8. *Covenant against Prior Liens.*

That it will not voluntarily create, or suffer to be created, except as otherwise in this Mortgage permitted, any debt, lien or charge which would be prior to the lien of this Mortgage upon the mortgaged and pledged property, or any part thereof; and that within three (3) months after the same shall accrue it will pay or cause to be discharged, or will make adequate provision to satisfy and discharge, all lawful claims and demands of materialmen, mechanics, laborers, and others, which, if unpaid, may by law be given precedence to this Mortgage as a lien or charge upon the Trust Estate or any part thereof, or the income thereof, provided that nothing in this Section contained shall require the Company to pay any such debt, lien or charge so long as it shall, in good faith, contest the validity thereof, unless thereby the Trust Estate or some part thereof will be lost, forfeited or materially endangered.

Section 9. *Covenant to Record Mortgage.*

That it will cause this Mortgage and every mortgage supplemental hereto, which shall be executed pursuant to the terms hereof, to be registered, recorded and filed as a mortgage of real or personal property in every county and other proper political subdivision of the State of South Carolina in which any of the real and personal property subject hereto or thereto shall be permanently situated on the date of the execution and delivery hereof or thereof, and elsewhere as may be required by law to perfect and maintain the lien hereof or thereof, and as any such property shall be acquired from time to time in other counties or places the Company will cause this Mortgage to be there and elsewhere registered, recorded and filed as may be so required and will do all such other acts as may be required by law in order to maintain this Mortgage as a valid, enforceable lien upon the properties and rights of the Company hereby mortgaged and pledged or declared or agreed to be mortgaged and pledged, and fully to protect the holders of the bonds and the rights of the Trustee.

Section 10. *Covenant to Keep Proper Books of Account.*

That it will keep proper and correct books of account and allow the Trustee and any person appointed by it for such purpose free access to all of the same at all reasonable times during business hours, and will give to the Trustee or any person appointed by it any information which it or they may reasonably require relating to the business and accounts of the Company, but the Trustee shall be under no duty to make such inquiry.

Section 11. *Covenant to Keep Property Insured.*

That it will keep its property insured by responsible insurance companies, against loss by fire, lightning, tornado, flood or boiler explosions to the extent that property of such character is usually insured, such insurance to be payable to the Company and to the Trustee hereunder as their interest may appear. No policies of insurance, duplicate policies or certificates of insurance need be filed with the Trustee unless requested by it, but a list of all such policies shall be delivered to the Trustee annually on the first day of June, and at any other time on its demand, which list shall set forth the names of the companies writing such policies, the number, amount and expiration date of each policy, the property covered thereby and such other information with respect thereto as the Trustee may reasonably require. Any adjustment of any loss and settlement therefor which may be agreed upon between the Company and any insurance company may be consented to and accepted by the Trustee but the Trustee shall in no way be liable or responsible for the collection of any insurance in case of any loss. All insurance moneys, subject to the provisions of any prior mortgage in respect to the payment thereof to the trustee under such prior mortgage, shall be paid to the Trustee hereunder and applied as hereinafter in this Section provided, except that moneys paid on any one loss in amount less than Ten thousand (10,000) Dollars may be retained by the Company and applied to the repair of the damaged property, or otherwise for the benefit of the mortgaged premises, without any application to the Trustee. In the event of the receipt of any insurance money by the Trustee hereunder by reason of any loss or damage, the Company shall have the right to demand, by resolution of its Board of Directors, and to receive from the Trustee, from time to time, part or all of the insurance money so received by the Trustee up to but not exceeding the amount of money which the Company shall have expended in additions, extensions, improvements and betterments to its property (provided that such additions, extensions, improvements and betterments shall not have been made the basis for the authentication of any bonds hereunder or for the withdrawal of any cash from the Trustee under any of the provisions hereof), or in any repairs of damages to property covered by such insurance, or in any replacements of the buildings or machinery destroyed or injured. A certificate of the President or a Vice-President and of the Treasurer or an Assistant Treasurer of the Company setting forth the amount so expended in such additions, extensions, improvements, betterments, repairs or replacements and that such additions, extensions, improvements and betterments have not been used for the authentication of bonds or any withdrawal of cash under any provision of this Mortgage, shall be sufficient evidence upon which such insurance money shall be paid to the Company to the amount so stated to have been expended, and such resolution and certificate shall constitute full protection to the Trustee in making payment in accordance therewith. No duty in respect to insurance or the form of policy shall rest upon the Trustee other than to receive such policies or statement relative thereto as may be handed to it by the Company.

All sums of money paid to the Trustee under the provisions of this Article and not called for within one year by the Company for the purposes above named, or as to which the Company shall have waived its right to call for, shall be applied by the Trustee, at the option of the Company, to the purchase or redemption of bonds of any one or more series in accordance with the provisions of Article Fourth hereof.

Section 12. *Covenant to Reimburse Holder for Connecticut, Maryland, Massachusetts, Pennsylvania and District of Columbia Taxes.*

That it will, in so far as it shall not be prohibited by law, reimburse the holder of any Series A bond hereby secured, when paid by such holder, for any amount not exceeding four (4) mills per dollar of principal amount of such bonds per annum which such holder shall have paid for taxes (other than succession or inheritance taxes) assessed or imposed by the State of Connecticut upon the said bonds or upon the holder thereof as a resident of said State by reason of his ownership of said bonds, and for any amount not exceeding four and one-half (4½) mills per dollar of principal amount of such bonds per annum which such holder shall have paid for taxes (other than succession or inheritance taxes) assessed or imposed by the State of Maryland, or any political subdivision thereof, upon the said bonds or upon the holder thereof as a resident of said State by reason of his ownership of said bonds, and for any amount not exceeding six (6) per centum per annum which such holder shall have paid for income taxes assessed or imposed by the Commonwealth of Massachusetts upon such holder as a resident of said Commonwealth on account of interest received on any of said bonds, and for any amount which such holder shall have paid for any personal property tax not exceeding four (4) mills per dollar of principal amount of such bonds per annum assessed or imposed by the Commonwealth of Pennsylvania, or by any political subdivision thereof, upon the said bonds or upon the holder thereof as a resident of said Commonwealth by reason of his ownership of said bonds, and for any amount not exceeding five (5) mills per dollar of principal amount of such bonds per annum which such holder shall have paid for taxes (other than succession or inheritance taxes) assessed or imposed by the District of Columbia upon the said bonds or upon the holder thereof as a resident of said District of Columbia by reason of his ownership of said bonds, upon receipt of a verified written request by the holder for such reimbursement, stating the distinctive number and series letter of said bond and setting forth the fact of ownership of such bond at the time such tax was assessed upon such holder as such owner and as a resident of said State of Connecticut, State of Maryland, Commonwealth of Massachusetts, Commonwealth of Pennsylvania or District of Columbia, as the case may be, and the fact of the payment thereof.

Such request shall be made to the Company in writing at its office in the City of New York, State of New York, or at such other office as the Company from time to time may designate in writing to the Trustee, within sixty (60) days from the date of each and every payment of such tax by such holder, and the Company shall not be liable in any event to reimburse any holder for any interest or penalty assessed upon or paid in addition to the amount of said tax as originally assessed.

The Company covenants and agrees that, in the event that the Board of Directors of the Company shall determine that any series of bonds issued hereunder, other than Series A, shall contain provisions for reimbursement to the holder of amounts paid for any taxes by the holder of any bond hereunder, or if the Company has otherwise agreed thereto, it will make provision for such reimbursement to the holders of the amounts agreed to be paid by executing and filing with the Trustee hereunder an indenture supplemental hereto setting forth the terms and conditions under which such reimbursement shall be made.

Section 13. *Issuance of Bonds in Accordance with Mortgage.*

That it will not issue, or permit to be issued, any bonds hereby secured in any manner other than in accordance with the provisions of this Mortgage.

Section 14. *Covenant to Deposit Certain Bonds.*

That it will pledge hereunder any bonds or notes issued after the date hereof under any of the mortgages or trust agreement referred to in Section 5 of Article Second hereof.

Section 15. *Covenant for Registration of Bonds.*

That it will maintain and keep bond registry and transfer books at the principal office of the Trustee, and the Trustee hereunder is hereby constituted and appointed the Registrar of the Company for the purpose of registering and transferring the bonds secured hereby. Any coupon