

MORTGAGE OF REAL ESTATE

37276 PROVISIONS-JARRARD CO.-GREENVILLE

The Trustee shall be under no duty to make any request provided in Subdivisions (d) and (e) of this Section, or to take any action with respect to any certificate provided for in Subdivisions (a) and (d) of this Section except to file the same for the inspection of Bondholders, unless twenty-five per cent. (25%) of the Bondholders shall in writing request the Trustee so to do and unless the Trustee is furnished with indemnity for its expenses satisfactory to it.

SECTION 7. That the Company will at all times protect its title to the mortgaged property and every part thereof against loss by reason of any foreclosure or other proceeding to enforce any lien thereon prior to the lien of this Indenture; and that the Company will at all times made or cause to be made such expenditures by means of renewals, replacements, repairs, maintenance, or otherwise as shall be necessary to maintain, preserve and keep the mortgaged property at all times in good repair, physical condition, working order and condition and in a state of good operating efficiency, except that the Company may abandon any property as provided in Section 2 (b) of Article VI.

SECTION 8. That the Company will:

(a) at all times keep and cause each subsidiary to keep proper books of record and account in which full, true and correct entries will be made of all its dealings, business and affairs, in accordance with accepted principles of accounting;

(b) at any and all times, upon the written request of the Trustee, permit, and cause each subsidiary to permit, the Trustee, by its agents and attorneys, to examine, in so far as such examination pertains to the performance by the Company of its obligations hereunder, all the books of account, records, reports and other papers of the Company and of each subsidiary and to take copies and extracts therefrom;

(c) file with the Trustee within sixty days after the close of the first six months of each fiscal year (1) a balance sheet of the Company (and, if the Company had any subsidiaries during such six months, a consolidated balance sheet of the Company and all its subsidiaries) as at the last day of such six months' period; (2) an earnings statement of the Company (and, if the Company had any subsidiaries during such six months, a consolidated earnings statement of the Company and all its subsidiaries) for such six months' period; and (3) a surplus account of the Company (and, if the Company had any subsidiaries during such six months, a consolidated surplus account of the Company and all its subsidiaries) for such six months' period, all in reasonable detail and accompanied by a certificate of the chief accounting officer of the Company;

(d) file with the Trustee within ninety days after the close of each fiscal year (1) a balance sheet of the Company (and, if the Company had any subsidiaries during such fiscal year, a consolidated balance sheet of the Company and all its subsidiaries) as at the last day of such fiscal year; (2) an earnings statement of the Company (and, if the Company had any subsidiaries during such fiscal year, a consolidated earnings statement of the Company and all its subsidiaries) for such fiscal year; and (3) a surplus account of the Company (and, if the Company had any subsidiaries during such fiscal year a consolidated surplus account of the Company and all its subsidiaries) for such fiscal year, all in such detail and form as may be prescribed in the Rules and Regulations. Such statements and accounts to be filed with the Trustee shall be accompanied by a certificate of the chief accounting officer of the Company; and

(e) as and when sent to the stockholders of the Company, file with the Trustee copies of such letters or other information concerning the Company's affairs as the Company may send to its stockholders generally.

All of the statements and certificates required by this Section to be filed with the Trustee shall be open to inspection during business hours by holders of Bonds.

SECTION 9. That, if the Company shall fail to perform any of the covenants contained in Sections 5, 6, 7, and 8 of this Article, the Trustee, or any receiver appointed hereunder, may make advances to perform the same in its behalf; and the Company hereby agrees to repay all sums so advanced in