

MORTGAGE OF REAL ESTATE

3726 FORTWORTH-LANARK CO.-GREENVILLE

No. 108 East Washington Street in the City of Greenville, hereinbefore more particularly described in this Indenture. The Trustee upon consummation of any such sale, shall thereupon execute and deliver to the purchaser a proper release of said property from the lien of the within mortgage. The proceeds of sale shall be turned over to the Trustee and held by it as a sinking fund for the redemption of bonds secured hereunder with the right on the part of the Company to use such deposit for the purchase of bonds in open market, by tender or call, as herein provided, at not exceeding, however, par plus accrued interest.

ARTICLE IV.

PARTICULAR COVENANTS BY THE COMPANY.

Section 1. The Company covenants that it shall and will duly and punctually pay, or cause to be paid, to every holder of any bond issued hereunder and hereby secured, the principal of said bonds and the interest accruing thereon, at the dates and places and in the manner mentioned in said bonds or in the coupons thereto appertaining (unless sooner called or redeemed as authorized herein) according to the true intent, tenor and effect of said bonds and coupons and of this Indenture, without deduction for any tax or taxes which the Company may be required to pay thereon or retain therefrom, under or by reason of any present or future law, national, state or municipal, the said Company hereby agreeing to pay all such taxes, assessments or charges; but this provision shall not apply to any inheritance or succession taxes, or to income taxes.

Section 2. The Company covenants that it will, from time to time, punctually and duly pay and discharge all taxes, assessments and charges lawfully imposed upon the hereby mortgaged premises and property, or upon any part thereof, or upon the income therefrom, or its right to do business as or be a corporation, or upon the interest of the Trustee hereunder, and will duly observe and conform to all valid requirements of any governmental authority relative to any of the rights or property at any time covered or affected hereby, and it will not create, or suffer to be created, any mechanics', laborers', or other liens or charges whatsoever upon the premises and property mortgaged hereby, or upon any part thereof, prior to the lien of these Presents, or do or suffer to be done any matter or thing whereby the lien or security of these Presents will be impaired, provided, however, that it shall not be required to pay any such taxes, assessments, charges or liens so long as it shall in good faith and by appropriate legal proceedings contest the validity thereof, and provided that such reasonable security for the payment thereof shall be given as the Trustee shall require, and that it will duly and punctually perform and keep all the covenants and conditions contained and set forth herein, as well as those upon or under which any property rights covered or affected hereby are held.

Section 3. The Company covenants that it has good right, full power and lawful authority to grant and convey and pledge the premises and property and estate hereby conveyed by it, in the manner and for the purposes aforesaid; that it has done no act to encumber said property other than this Indenture, and that it will forever warrant the title to the property hereby conveyed, or intended so to be, against the claims and demands of all persons whatsoever, and its freedom from incumbrances, except as specified in accordance herewith.

Section 4. That it will cause this Indenture to be duly and punctually recorded as a Mortgage of Real Estate and personal property in such manner and in such place as may be required by law in order to fully preserve and protect the security of the bondholders, and all rights of the Trustee, and that it will, from time to time, on the request of the Trustee, execute, acknowledge and deliver such further instruments and assurances for the better conveying and assuring to the Trustee and its successors in the trust, all the property hereby mortgaged and conveyed, or intended so to be, as by the Trustee or its Successors may be reasonably required.

Section 5. In order to prevent any accumulation after maturity of coupons, the Company agrees and covenants that it will not, directly or indirectly, extend or assent to the extension of the time for payment of any coupon upon any bond secured hereby; and that it will not, directly or