

MORTGAGE OF REAL ESTATE

37276 PROVINCE-JARROLD CO.-GREENVILLE

Mortgage Bonds Class C then outstanding; and said policies shall be delivered to the first mortgagee. The Corporation will deliver all renewal policies to the First Mortgagee, with premiums paid, at least three (3) days before the expiration of maturing policies under and subject to the foregoing conditions. The Corporation shall, if so requested by the Trustee, insure against tornado and such tornado policies shall be made payable in the same manner as the fire insurance policies..

Section 8. In case of loss, the Trustee shall allow any insurance money receivable by it under any policy of insurance on the property above required to be insured, procured by said Corporation, to be applied by said Corporation towards the replacement of or additions to the property destroyed or injured, if the Corporation shall in writing, signed by its President or Vice President, so request. And thereafter from time to time the Trustee shall pay over to the Corporation for that purpose any or all such insurance received by it on policies procured by the Corporation; but no such insurance money shall be paid over until the Corporation shall present to the Trustee a statement verified by the affidavit of its President or Vice President, and an engineer or architect satisfactory to the Trustee, showing that the Corporation has theretofore made actual expenditures to an amount not less than the amount of the insurance money sought to be obtained from the Trustee in or about the replacement of the property destroyed or damaged. But if the Corporation shall not, within ninety (90) days from the time of the payment of any insurance money to the Trustee, in writing, request the Trustee to hold such money for the purpose of enabling the Corporation to pay the cost of replacements as aforesaid, then such insurance money shall be used by the Trustee for the redemption of bonds in the manner provided in Article III, of this mortgage. If at any time there shall remain in the hands of the Trustee any insurance money held upon the request of the Corporation as hereinabove provided for the use of the Corporation in making replacements, the Trustee shall use said money for redemption of bonds in the same manner and with like effect as if the Corporation within ninety days from the payment of any loss had failed to notify the Trustee that it desired to make use of such money.

Section 9. In case any loss covered by any policy of insurance, any appraisalment or adjustment of such loss and settlement and payment of indemnity therefor, which may be agreed upon between the Corporation and any insurance company, may be consented to and accepted by the Trustee, and the said Trustee shall in no way be liable or responsible for the collection or adjustment of any insurance in case of any loss.

Section 10. The Trustee shall not be under duty to insure any of the mortgaged premises or property, but may, in its discretion, and if furnished with funds or indemnified to its satisfaction by any of the bondholders, shall insure any of said mortgaged property or premises against fire to the desired amount, in case the Corporation shall fail to so insure the same. Any premiums so paid for such insurance shall be a first lien on the property and premises mortgaged hereunder and shall be secured hereby, and shall take precedence of any amounts due on the bonds and coupons secured hereby, and shall be immediately repayable by the Corporation to the Trustee upon demand therefor, with interest at seven (7%) per cent. from the date such payment may have been made by the Trustee. In case of the failure of the Corporation to repay same to the Trustee within sixty days after written demand therefor mailed or served upon the Corporation, such failure to repay shall constitute a default hereunder, entitling the Trustee to enter and take possession, to sell and to bring proceedings to foreclose, and to exercise all the other rights given hereunder in case of default on the part of the Corporation.

ARTICLE V.EVENTS OF DEFAULT.

Section 1. The following events shall be events of default under this Mortgage Deed of Trust or Second Mortgage, and the words "event of default" or "events of default" shall mean, whenever same are used in this Mortgage Deed of Trust or Second Mortgage, one or more of the following events:-

(a) If default shall be made in the payment of any installment of interest on any of the bonds issued hereunder when and as the same shall become payable as therein and herein expressed and such default shall continue for the period of thirty days:

(b) If default shall be made in the payment of the principal of any of said bonds when the same shall become due and payable either by the terms hereof, by acceleration or otherwise, as herein provided;

(c) If default shall be made in payment to the Trustee of the sum or sums to be deposited for redemption of said bonds as provided in Section 1 of Article III.

(d) If default shall be made in the observance or performance of any other of the covenants, conditions and agreements on the part of the Corporation, its successors or assigns, in the said bonds or in this Mortgage Deed of Trust or Second Mortgage contained, and such default shall continue for the period of sixty days after written notice to the Corporation from the Trustee or from the legal holder or holders of at least a majority in amount of the principal of said bonds then outstanding secured hereby and unpaid, specifying such default and requiring the same to be remedied; and