

MORTGAGE OF REAL ESTATE

37276 PROVENCHER-SARAND CO.-GREENVILLE

operation or maintenance of such lines or systems and all service and connecting lines, poles, posts, crossarms, wires, ^{cables} conduits, mains, pipes, tubes, transformers, insulations, meters, electrical connections, lamps, fuses, junction boxes and fixtures forming part of, or used in connection with, such lines or systems and all other property physically attached to any of the foregoing described property, shall be deemed to be real property and subject to the statutes and laws of the State in which the Mortgaged Property is located.

Section 27. All moneys derived by the Mortgagor from the operation of its properties shall be deposited in one or more banks or trust companies in a special account or accounts, and each of such special accounts shall be continuously secured by a pledge of direct obligations of the United States of America or of the State of South Carolina at an aggregate market value exclusive of accrued interest at all times at least equal to the balance on deposit in such account or accounts. Such securities shall either be deposited with the Mortgagee or held by a trustee or agents satisfactory to the Mortgagee, In lieu of any such pledge of such securities said accounts may be secured by (a) a surety bond or bonds which shall be for form, sufficiency and substance satisfactory to the Mortgagor and the Mortgagee, or (b) deposit insurance maintained by the bank or trust company with the Federal Deposit Insurance Corporation, or other similar agency of the Government in the amount above mentioned.

Section 28. Funds in any such special account may, until the happening of an event of default on the part of the Mortgagor, be withdrawn upon checks, orders or drafts signed by the Chairman of the Board of Directors of the Mortgagor and countersigned by the Secretary-Treasurer of said Board for the following purposes only and in the order named:

- (a) the payment of the principal and interest and other charges and obligations under bonds which shall be outstanding, the Resolutions and the Amended Mortgage;
- (b) the payment of all expenses necessary to operate the properties of the Mortgagor including operating charges, maintenance, upkeep and repairs;
- (c) twenty-five thousand dollars (\$25,000) for reserves for the foregoing; and
- (d) the payment of installments of principal of the bonds before the same shall become due.

ARTICLE 111Remedies of the Mortgagee and of the Bondholders

Section 1. If one or more of the following events (hereinafter called "events of defaults") shall happen, that is to say:

- (a) default shall be made in the payment of interest on or of any installment of principal of any of the bonds when and as the same shall become due and payable and such default shall continue for thirty (30) days;
- (b) default shall be made in the due observance or performance of any other of the covenants, conditions, or agreements on the part of the Mortgagor contained in any of the bonds, in the First Resolution, in the Second Resolution, or in the Amended Mortgage and such default shall continue for a period of thirty (30) days after written notice specifying such default and requiring the same to be remedied shall have been given to the Mortgagor by any bondholder;
- (c) an event of default as defined in the First Loan Contract or the Second Loan Contract or the Third Loan Contract, respectively;
- (d) the Mortgagor shall be adjudicated a bankrupt or insolvent, or shall make an assignment for the benefit of its creditors, or shall consent to the appointment of a receiver of itself or of its property;
- (e) the Mortgagor shall file a petition in bankruptcy or institute proceeding for its reorganization, or proceedings instituted by others for its reorganization shall not be dismissed within thirty (30) days after the institution thereof;
- (f) a receiver or liquidator of the Mortgagor or of any substantial portion of its property shall be appointed and the order appointing such receiver or liquidator shall not be vacated within thirty (30) days after the entry thereof;
- (g) the Mortgagor shall forfeit or otherwise lose its corporate charter or any of its franchises, approvals, permits, licenses, consents, easements, or rights of way required to carry on any material portion of its business; or
- (h) a final judgment shall be entered against the Mortgagor and shall remain unsatisfied or without a stay in respect thereof for a period of thirty (30) days, then in each and every such cases any bondholder may by notice in writing to the Mortgagor and delivery of a copy thereof to the other bondholders declare all unpaid principal of and accrued interest on any of the bonds held by such bondholder to be due and payable immediately; and upon any such declaration all unpaid principal of and all accrued interest on all bonds so declared to be due shall become and be due and payable immediately, anything contained in the Mortgage or in this Indenture or in any of the bonds to the contrary notwithstanding, provided, however, that if at any time after the unpaid principal of and accrued interest on any of the bonds shall have been so declared due and payable, all installments of principal which shall have matured by the terms of such bonds and all arrears of interest on such bonds shall be paid by the Mortgagor to