

or supervision over it, or any part of the trust estate; provided, however, that the Company may in good faith contest any such law, act, rule, regulation or order in any lawful and reasonable manner which will not endanger or subject to forfeiture the title of the Trustee to any part of the trust estate.

Section 8. The Company covenants and agrees that it will, at all times during the existence of any of the indebtedness secured hereby keep, or cause to be kept all insurable property of the Company adequately insured against loss by fire and damage by tornado, in an amount at least equal to the amount of bonds outstanding, and will also carry adequate Boiler and Plate Glass insurance in well established companies authorized to do business in the State of South Carolina, and shall cause all such insurance to be made payable, in case of loss, to the Trustee hereunder, and to the Company, as their interest may appear, by property stipulations inserted in the policies, such policies to be delivered to and to be held by the said Trustee, and in case of loss all insurance monies due on said policies shall be paid to the Trustee. The Company further covenants and agrees to carry adequate Public Liability insurance.

Section 9. In case of loss, the Trustee shall allow the insurance money received by it on any policy of insurance of the property above required to be insured, procured by said Company, to be applied by said Company towards the replacement of or additions to, the property destroyed or injured, if the Company shall in writing by its President or Vice-President, so request. And thereafter, from time to time, the Trustee shall pay over to the Company for that purpose any or all such insurance received on policies procured by the Company, but no such insurance money shall be paid over until the Company 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 Company 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. The Company agrees that it will, with the utmost expedition reasonably possible, repair or replace any property so destroyed or injured.

Section 10. In case of any loss covered by any policy of insurance any appraisal or adjustment of such loss and settlement and payment of indemnity therefor, which may be agreed upon between the Company 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 11. 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 or tornado to the extent hereinbefore provided, in case the Company shall fail to so insure the same, and deposit the policies for such insurance with the Trustee. 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 Company to the Trustee upon demand therefor, with interest at Four (4%) per cent from the date such payment may have been made by the Trustee. In case of the failure of the Company to repay same to the Trustee within sixty days after written demand mailed to or served upon the Company, 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 Company.

Section 12. The Company covenants and agrees that it will furnish the Trustee with a complete audit and financial statement of the Company at least once each year by an accountant or accountants approved by the Trustee.

Section 13. The Company covenants and agrees that as long as any of the bonds issued hereunder shall be outstanding, it will, at least fifteen days before the last day of March and September in each year pay to the Trustee to be deposited in The South Carolina National Bank of Charleston an amount equal to the semi-annual interest coming due on the next succeeding interest date, which sum of money so paid to the Trustee, prior to its actual payment to the holders of the coupons on said First Mortgage Bonds, be held by the