

ARTICLE FIVE.

PARTICULAR COVENANTS OF THE CORPORATION.

The Corporation covenants as follows:

SECTION 5.01. The Corporation is duly authorized under its Articles of Incorporation, as amended, and under the laws of the State of North Carolina and all other applicable provisions of law to create and issue the Bonds and assume the obligations of the Notes and to execute and deliver this Indenture. All corporate action requisite for the due creation, issuance and delivery of the Notes and the due execution and delivery of this Indenture has been duly and effectively taken. The Bonds and Notes in the hands of the holders thereof are and will be valid and enforceable obligations of the Corporation in accordance with their terms.

SECTION 5.02. The Corporation will duly and punctually pay or cause to be paid the principal of (and premium, if any) and interest on the Bonds and the Notes at the times and places and in the manner specified in the Bonds and the Notes and herein. The interest on the Bonds shall be payable only to or upon the written order of the registered holders thereof. The Corporation covenants to deposit an amount of money with the Trustee sufficient to make said payment of principal, premium and interest on the Bonds, such deposit to be made (except in case of redemption) with the Trustee not later than two (2) business days before such payment is due.

SECTION 5.03. The Corporation will duly and punctually pay and discharge, or cause to be paid and discharged, all taxes, assessments and governmental charges or levies imposed upon or assessed against the Corporation, or upon any of the property (real or personal), income, profits, franchises, transactions or business of the Corporation; provided, however, that nothing herein contained shall require the Corporation to pay any such tax, assessment, charge, levy or claim so long as the Corporation shall in good faith contest the validity of the same by appropriate proceedings and stay any execution thereof.

SECTION 5.04. The Corporation covenants that all notices, presentations and demands to or upon the Corporation in respect of the Bonds, the Notes or of this Indenture or any indenture supplemental hereto may be given or made at the principal corporate trust office of the Trustee. The Trustee will promptly forward to the Corporation all such notices, presentations and demands, or copies thereof.

SECTION 5.05. Subject to the provisions of Article Twelve hereof, the Corporation will do or cause to be done, at its own cost and expense, all things necessary to preserve, extend and renew its corporate existence and will use its best efforts to preserve and renew all franchises, rights of way, easements, permits and licenses now or hereafter to it granted or