

Section 117. Subject to the restrictions specified in Sections 116 and 120 hereof, any registered holder of bonds outstanding hereunder and any holder of a certificate provided for in Section 116 hereof, shall be entitled in person or by proxy to attend and vote at such meeting as holder of the bonds registered or certified in the name of such holder without producing such bonds. All others seeking to attend or vote at such meeting in person or by proxy must, if required by any authorized representative of the Trustee or the Company, or by any other bondholder, produce the bonds claimed to be owned or represented at such meeting, and every one seeking to attend or vote shall, if required as aforesaid, produce such further proof of bond ownership or personal identity as shall be satisfactory to the authorized representative of the Trustee, or if none be present then to the Inspectors of Votes. Proxies shall be acknowledged as required for an instrument to be recorded in the State of New York, and all proxies and certificates presented at any meeting shall be delivered to the Inspector of Votes and filed with the Trustee.

Section 118. Persons named by the Trustee if represented at the meeting shall act as temporary Chairman and Secretary, respectively, of the meeting, but if the Trustee shall not be represented or shall fail to nominate such persons or if any person so nominated shall not be present, the bondholders and proxies present shall by a majority vote, irrespective of the amount of their holdings, elect other persons from those present to fill such vacancy or vacancies. A permanent Chairman and a permanent Secretary of such meeting shall be elected from those present by the bondholders and proxies present by a majority vote irrespective of the amount of their holdings. The Trustee, if represented at the meeting, shall appoint two Inspectors of Votes who shall count all votes cast at such meeting, except votes on the election of a Chairman and Secretary as aforesaid, and who shall make and file with the Secretary of the meeting their verified written report in duplicate of all such votes so cast at said meeting. If the Trustee shall not be represented at the meeting or shall fail to nominate such Inspectors of Votes or if either Inspector of Votes fails to attend the meeting, the vacancy shall be filled by appointment by the permanent Chairman of the meeting.

Section 119. The holders of not less than eighty-five per centum (85%) in principal amount of the bonds outstanding hereunder when such meeting is held must be present at such meeting in person or by proxy in order to constitute a quorum for the transaction of business, less than a quorum, however, having power to adjourn; provided, however, that if such meeting is adjourned by less than a quorum for more than fourteen (14) days, notice thereof shall forthwith be mailed by the Trustee if such meeting shall have been called by the Trustee (a) to the Company addressed to it at Raleigh, North Carolina, (or at such other address as may be designated by the Company in writing from time to time), (b) to each registered holder of bonds then outstanding hereunder addressed to him at his address appearing on the registry books, and (c) to each holder of any such bond payable to bearer who shall have filed with the Trustee and address for notices addressed to him at such address and shall be published at least once in each fourteen (14) day period of such adjournment in a daily newspaper of general circulation published in the Borough of Manhattan, City of New York. The failure to mail such notice as aforesaid shall in no case affect the validity of any action taken at any meeting held pursuant to such adjournment. If such meeting shall have been called by bondholders or by the Company after failure of the Trustee to call the same after being requested so to do in accordance with the provisions of Section 115 hereof, notice of such adjournment shall be given by the Chairman and Secretary of the meeting in the newspapers and for the number of times above specified in this Section and shall be sufficient if so given.

Section 120. Any modification or alteration of this Indenture and/or of any indenture supplemental hereto and/or of the rights and obligations of the Company and/or of the holders of bonds and coupons issued hereunder in any particular may be made at a meeting of bondholders duly convened and held in accordance with the provisions of this Article, but only by resolution duly adopted by the affirmative vote of the holders of 85% or more in principal amount of the bonds outstanding hereunder when such meeting is held, and approved by resolution of the Board of Directors of the Company, as hereinafter specified; provided, however, that no such modification or alteration shall permit the extension of the maturity of the principal of any bond issued hereunder or the reduction in the rate of interest thereon or any other modification in the terms of payment of such principal or interest without the consent of the holder of such bond. For all purposes of this Article XIX, the Trustee shall be entitled to rely upon an opinion of counsel with respect to the extent, if any, as to which any action taken at such meeting affects the rights under this Indenture or under any indenture supplemental hereto of any holders of bonds then outstanding hereunder.

Bonds owned and/or held by and/or for account of and/or for the benefit or interest of the Company, if challenged by any other bondholder at such meeting and such ownership, benefit or interest is established, shall not be deemed outstanding for the purpose of any vote or of any calculation of outstanding bonds in this Article XIX provided for.

Section 121. A record in duplicate of the proceedings of each meeting of bondholders shall be prepared by the Secretary of the meeting and shall have attached thereto the original reports of the Inspectors of Votes, and affidavits by one or more persons having knowledge of the facts showing a copy of the notice of the meeting and a copy of the notice of adjournment thereof, if required under the provisions of Section 119 hereof, and showing that said notices were mailed and published as provided in Section 115 hereof and, in a proper case, as provided in Section 119 hereof. Such record shall be signed and verified by the affidavits of the permanent Chairman and the permanent Secretary of the meeting, and one duplicate thereof shall be delivered to the Company and the other to the Trustee for preservation by the Trustee. Any record so signed and verified shall be proof of the matters therein stated until the contrary is proved, and if such record shall also be signed and verified by the affidavit of a duly authorized representative of the Trustee, such meeting shall be deemed conclusively to have been duly convened and held, and any resolution or proceeding stated in such record to have been adopted or taken, shall be deemed conclusively to have been duly adopted or taken by such meeting. A true copy of any resolution adopted by such meeting shall be mailed by the Trustee to each registered holder of bonds outstanding hereunder addressed to him at his address appearing on the registry books and to each holder of any such bond payable to bearer who shall have filed with the Trustee an address for notices addressed to him at such address, and proof of such mailing by the affidavit of some person having knowledge of the fact shall be filed with the Trustee, but failure to mail copies of such resolution as aforesaid shall not affect the validity thereof. No such resolution shall be binding until and unless such resolution is approved by resolution of the Board of Directors of the Company, of which such resolution of approval, if any, it shall be the duty of the Company to file a copy certified by the Secretary or an Assistant Secretary of the Company with the Trustee, but if such a resolution of the Board of Directors of the Company is adopted and a certified copy thereof is filed with the Trustee, the resolution so adopted shall be deemed conclusively to be binding upon the Company, the Trustee and the holders of all bonds and coupons issued hereunder, at the expiration or sixty (60) days after such filing, except in the event of a final decree of a court of competent jurisdiction setting aside such resolution or annulling the action taken thereby in a legal action or equitable proceeding for such purpose commenced within such sixty (60) day period; provided, however, that no such resolution of the bondholders, or of the Company, shall in any manner be so construed as to change or modify any of the rights, immunities, or obligations of the Trustee without its written assent thereto.

Section 122. Bonds authenticated and delivered after the date of any bondholders' meeting may bear a notation in form approved by the Trustee as to the action taken at meetings of bondholders theretofore held, and upon demand of the holders of any bond outstanding at the date of any such meeting and presentation of his bond for the purpose at the principal office of the Trustee, the Company shall cause suitable notation to be made on such bond by endorsement or otherwise as to any action taken at any meeting of bondholders theretofore held. If the Company or the Trustee shall so determine new bonds so modified as in the opinion of the Trustee and the Board of Directors of the Company to conform to such bondholders' resolutions shall be prepared, authenticated and delivered, and upon demand of the holder of any bond then outstanding and affected thereby shall be exchanged without cost to such bondholder for bonds then outstanding hereunder upon surrender of such bonds with all unmatured coupons appertaining thereto. The Company or the Trustee may require bonds outstanding to be presented for notation or exchange as aforesaid if it shall see fit to do so. Instruments supplemental to this Indenture embodying any modification or alteration of this Indenture or of any indenture supplemental hereto made at any bondholders' meeting and approved by resolution of the Board of Directors of the Company, as aforesaid, may be executed by the Trustee and the Company and upon demand of the Trustee or if so specified in any resolution adopted by any such bondholders' meeting, shall be executed by the Company and the Trustee.

ARTICLE XX.

Miscellaneous.

Section 123. Nothing in this Indenture, expressed or implied, is intended or shall be construed, to confer upon, or give to, any person or corporation, other than the parties hereto and the holders of the bonds outstanding hereunder, any right, remedy, or claim under or by reason of this Indenture or any covenant, condition or stipulation hereof; and all the covenants, stipulations, promises and agreements in this Indenture contained by and on behalf of the Company shall be for the sole and exclusive benefit of the parties hereto, and of the holders of the bonds and of the coupons outstanding hereunder.

Section 124. Any cash held by the Trustee under any of the provisions of this Indenture shall, at the request of the Company evidenced by a resolution, as defined in Section 3 hereof, be invested or reinvested by the Trustee in any bonds or other obligations of the United States of America designated by the Company or in any obligations which are lawful investments for Savings Banks under the laws of the State of New York, designated by the Company and not disapproved by the Trustee, and until a completed default shall have occurred, any interest on such bonds, obligations and securities which may be received by the Trustee shall be forthwith paid to the Company. Such bonds, obligations and