

(c-1) Only the principal of such bonds may be used to pay for releases or service charges.

(c-2) Neither the proceeds of condemnation or expropriation proceedings, nor any bonds paid, purchased or redeemed with such proceeds, may be used to obtain releases of any property covered hereby except the property so condemned or expropriated;

(c-3) If the Mortgagor, by virtue of cash paid hereunder, has already obtained credit for payments due hereunder for releases, it cannot present, in discharge of other payments due hereunder for that purpose, the bonds paid, purchased or redeemed with such cash;

(c-4) No money paid to Trustee on account of the aforesaid indebtedness of the Greenville & Northern Ry. Co. shall be used to obtain releases of any property covered hereby.

The Corporate Trustee will keep a list of all bonds used in making such payments, mark on each bond the fact and date of such use, and cancel all uncanceled bonds thus used;

(d) If an exchange or substitution of property should be made hereunder, the consideration for releasing the old property herefrom may be either the property received in exchange or substitution, or partly the latter and the remainder cash or bonds as provided in this Section.

Section 5: Release of Railway Stock and Notes. The capital stock and the indebtedness of the Greenville & Northern Railway Company, hereby pledged and assigned to the Trustees, may be released from the lien hereof upon the payment to the Corporate Trustee of the sum of four hundred thousand dollars, less any sums which may have been theretofore been paid into the Sinking fund on account of said notes.

Section 6: Exchange of Railway Company Notes for Bonds: With the approval of the Bankers, the Trustees may exchange the demand notes, or any part thereof, of the Greenville & Northern Railway Company, hereby pledged and assigned to the Trustees for first mortgage bonds of that Company; on any basis approved in writing by the Bankers.

Section 7: Application of Funds in Hands of Corporate Trustee: So long as there is not in force any declaration of maturity of all bonds then outstanding hereunder, all funds received under this instrument by the Corporate Trustee (the disposition whereof is not herein otherwise provided for) shall be applied from time to time by it as follows:

(a) To the payment of outstanding bonds at their fixed date of maturity; or

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