

MORTGAGE OF REAL ESTATE

3726 PROYON-JARLAND CO.-GREENVILLE

under the aforesaid Mortgage and Deed of Trust dated July 1, 1914, to publish notice of redemption as provided in said Mortgage and Deed of Trust, (iii) an instrument duly executed by the trustee under said Mortgage and Deed of Trust dated July 1, 1914 of the Company, releasing and discharging said Mortgage and Deed of Trust (and any and all instruments supplemental thereto) such instrument to be held by the Trustee under this Indenture in escrow until January 1, 1937 and then delivered to the Company, and (iv) an opinion of counsel to the effect that the aforesaid instrument of release executed by the trustee under said Mortgage and Deed of Trust dated July 1, 1914 is sufficient to discharge the lien of said Mortgage and Deed of Trust (and any and all instruments supplemental thereto), and that upon the recording of such release, said Mortgage and Deed of Trust (and any and all instruments supplemental thereto) will be discharged of record.

(a) The Bonds of 1966 Series shall, subject to the provisions of Section I of Article II be designated as "First Mortgage Bonds, 3 3/4% Series due 1966" of the Company. The total principal amount of Bonds of 1966 Series which may be executed, authenticated and delivered under and secured by this Indenture shall be the amount hereinbefore set forth in this Section, which shall not be exceeded.

The Coupon Bonds of 1966 Series shall be dated December 1, 1936, and all Bonds of 1966 Series shall mature December 1, 1966, and shall bear interest at the rate of three and three-quarters per cent. (3 3/4%) per annum, payable semi-annually on the first day of December and the first day of June in each year. The Bonds of 1966 Series shall be payable as to principal and interest in coin or currency of the United States of America which at the time of payment is legal tender for public and private debts, and shall be payable (as well the interest as the principal thereof) at the principal office of the Trustee in the Borough of Manhattan, The City of New York.

(b) The Bonds of 1966 Series shall be coupon Bonds registerable as to principal, of the denomination of \$1,000, numbered consecutively from MI upwards, and registered Bonds without coupons of the denominations of \$10,000, numbered consecutively from RXI upwards. The Company may hereafter, if it so desires, provide for registered Bonds without coupons of the denomination of any multiple of \$1,000. Coupon Bonds of 1966 Series may be exchanged, upon surrender thereof, with all unmatured coupons attached, at the agency of the Company in the Borough of Manhattan, The City of New York, for a fully registered Bond or fully registered Bonds of 1966 Series without coupons, of authorized denominations, for the same aggregate principal amount, upon payment of the charges and subject to the terms and conditions set forth in Article II.

(c) (I) The Bonds of 1966 Series shall, subject to the provisions of Article V, be redeemable (otherwise than for the sinking fund mentioned in Subdivision (d) of this Section), at any time or from time to time prior to maturity, at the option of the Board of Directors of the Company, either as a whole or in part by lot, upon payment of 105% of the principal amount thereof plus accrued interest to the redemption date.

(2) Subject to the provisions of Article V, notice of redemption shall be given by publication once in each of three separate calendar weeks in an authorized newspaper in the Borough of Manhattan, The City of New York, the first of such publications to be not more than sixty and not less than thirty days prior to the date fixed for redemption, and, if any of the Bonds to be redeemed are registered Bonds or coupon Bonds registered as to principal, similar notice shall be sent by the Company through the mails, postage prepaid, at least thirty days and not more than sixty days prior to the date of redemption, to the registered owners of such Bonds at their addresses as the same shall appear, if at all, on the transfer register of the Company.

(d) (1) The Company covenants and agrees with the Trustee that, so long as any of the Bonds of 1966 Series are outstanding, the Company, during each calendar year and on or before October 15 of such year, commencing with the year 1947, will pay to the Trustee as and for a sinking fund, for the use and benefit of the holders of the Bonds of 1966 Series, the amounts