

MORTGAGE OF REAL ESTATE

3726 PROVINCE-JARRARD CO.-GREENVILLE

the net earnings of the Company, as defined in this section, for the period covered by such certificate were not less than one and three-quarters (1-3/4) times the annual bond interest charge as defined in this section.

The Trustee may accept, in lieu of any certificate of any trustee under any instrument required by any of the terms of this section, other evidence to the effect contemplated satisfactory to the Trustee hereunder.

All bonds issued hereunder with accompanying coupons, if any, received by the Trustee to be pursuant to the terms of this section shall be incinerated by the Trustee, and the Trustee shall make and deliver to the treasurer of the Company a certificate describing such bonds and accompanying coupons by series, denomination, and number, and certifying to the incineration thereof.

Underlying bonds, received by the Trustee under the provisions of this section in uncanceled form shall be canceled by the Trustee, and all underlying bonds in canceled form shall be delivered to the treasurer of the Company or upon his written order.

SECTION 4.02. The Trustee shall have the right, but shall not be required, to demand an opinion of counsel revealing whether in the opinion of such counsel the existence of any lien other than the lien hereof and liens of underlying mortgages set forth in any certificate delivered to it in connection with any application for the authentication of any bonds under any provision of this indenture, or otherwise known to the Trustee (other than or in excess of the liens hereafter in this section provided to be regarded and considered as not materially impairing the security hereby afforded), materially impairs the security afforded hereby for the protection and benefits of the holder of the bonds issued hereunder, including those authentication whereof is then applied for; and in the event that any such lien does in the opinion of such counsel materially impair the security hereby afforded, the Trustee shall not be obliged to authenticate such bonds unless and until such lien be discharged, released or removed, or such other proceedings as may be suggested by such counsel be had, and such counsel shall render to the Trustee an opinion to the effect that such lien does not at the date thereof materially impair the security so afforded. Within the purview of this indenture the following shall not be considered or regarded as materially impairing the security hereby afforded:

- (a) Taxes or assessments not in default, or taxes and assessments in course of contest;
- (b) Each lien voluntarily by the Company created or imposed on its physical properties and by the terms of the instrument creating or evidencing the same made and declared to be subject and subordinate to the lien hereof for the security of all bonds at any time issued and outstanding hereunder;
- (c) Judgments in respect of which the time for appeal has not elapsed and judgments pending on appeal, not, however, in aggregate amount exceeding three per cent (3%) of the aggregate amount of bonds at the time outstanding hereunder, including those authentication of which is then applied for, in respect of which latter judgments appeal bonds in amounts respectively equal at least to the amounts of the respective judgments have been posted.

ARTICLE FIVE.

BONDS AGAINST PHYSICAL PROPERTY ADDITIONS.

SECTION 5.01. Additional bonds of Series A and/or bonds of any other series created pursuant to the terms of this indenture may from time to time, to the extent herein provided on account of physical property additions made or acquired subsequent to July 1, 1936, be executed by the Company and delivered to the Trustee, and the Trustee shall, upon receipt of:

- (a) If the bonds authentication whereof is applied for be the initial bonds of any series, an indenture supplemental hereto and a certified copy of a resolution responsive to the provisions of section 2.05 hereof;
- (b) Certified copy of a resolution of the board of directors of the Company authorizing the execution and authentication of such bonds;
- (c) Certified copy of a resolution, or an opinion, responsive to subparagraph (c) of section 4.01 hereof;
- (d) Certified copy of an order or orders and/or an opinion, responsive to subparagraph (d) of section 4.01 hereof;
- (e) A certificate signed and sworn to by the president and by the treasurer of the Company

(1) stating that subsequent to July 1, 1936, in the case of the initial certificate responsive hereto, and, except as to property which may be omitted as hereinafter provided, subsequent to the date of the next preceding certificate in the case of all further certificates responsive hereto, the Company did acquire certain physical property additions, describing the same severally and in reasonable detail, and including therein all such physical property additions made by the Company subsequent to July 1, 1936, and not included in a previous certificate, provided that, at the option of the Company, property acquired as an entirety or substantially as an entirety, subject to the lien of any underlying mortgage, may be omitted from any one or more certificates and included in any subsequent certificate: identifying any property acquired as an entirety or substantially