

terms mean the bearers and the registered owners of Bonds at the time outstanding hereunder, subject, however, to the extent applicable, to the provisions of sections 7 and 8 of Article II hereof; the words "registered owner" in respect to each Bond means the person in whose name that Bond is registered; the word "coupon" means the interest coupons appertaining to the Bonds; the words "registered Bonds" means coupon Bonds registered as to principal otherwise than to bearer and fully registered Bonds, of any, without coupons; and the word "Bonds" includes, to the extent applicable, the coupons and claims for interest as well as the coupons and fully registered Bonds to which the coupons and claims for interest appertain, and the temporary Bonds hereinafter authorized.

Section 4. Whenever used in this Indenture, the words "additional property" include and mean real estate necessary or useful in the Company's business of operating its ice manufacturing properties embraced in the Trust Property, and selling or otherwise disposing of the product thereof, including the incidental business of selling and operating cotton gins and disposing of cotton seed oil and other products thereof and dealing in coal and other fuels, and other incidental business, and also additions, extensions, improvements, machinery, fixtures and equipment of a permanent nature necessary or useful for the purpose of carrying on said business, acquired or constructed by the Company, subsequent to the execution and delivery hereof, and subjected to the title hereof (subject only to the exceptions permitted by the provisions of subsection H of section 3 of Article III hereof) but excluding:

A. Property of any of the following classes:

- (1) property acquired from the proceeds of any Bonds issued hereunder or already used as the basis for obtaining, or as the basis of any pending application for obtaining, the certification and delivery of any Bonds, the withdrawal by the Company of any money, or the release of any property, hereunder;
- (2) property constituting repairs or which, in the ordinary practice of companies carries on a business similar to that carried on by the Company, is charged to operating expenses;
- (3) property substituted for, or acquired with the proceeds of insurance from or compensation for, any of the Trust Property, lost, damaged or taken by exercise of the power of eminent domain; and
- (4) property constituting replacements, reconstructions or renewals to or of the Trust Property; except to the extent in any case that the cost or fair value (as herein defined), whichever is less, of any property specified in the foregoing sub-clauses (1), (3), and (4) exceeds the cost when new of the property lost, damaged, released, taken, replaced, reconstructed or renewed, or exceeds the amount which such property would have cost if new at the time of its loss, damage, release, taking, replacement, reconstruction or renewal, whichever in any such case is greater; provided, however, that if any property, which might have been used as the basis for the certification and delivery of Bonds or for the withdrawal of money hereunder, is lost, damaged, released or taken before being so used, and if the Company substitutes, or constructs or acquires, other additional property (even if from the proceeds of money received because of such loss, damage, release or taking), the property so substituted, constructed or acquired may, nevertheless, be used by the Company as the basis for the certification and delivery of Bonds or for the withdrawal of money hereunder to the same extent as the property lost, damaged, released or taken might have been used; and provided, further, that property constituting repairs, substitutions, replacements, reconstructions or renewals may be used as a basis for the withdrawal of money from the Trustee under the provisions of Article XII hereof, if the money applied to be withdrawn was received by the Trustee because of the loss, damage or taking of the property so repaired, substituted, replaced, reconstructed or renewed.

B. Leasehold interests, real estate unless owned in fee simple, or rights in real estate unless owned in perpetuity, or plants, developments or buildings unless the Company has the necessary titles, franchises or other rights for the maintenance and use thereof in perpetuity or without limit of time; provided, however, that a grant which provides for compensation to the Company in case of its termination either by lapse of time or by acts of the grantor may be accepted in lieu of the acquisition of perpetual rights, if approved as reasonably necessary and as reasonably adequate for the protection of the interests of the Bondholders by a person satisfactory to the Trustee and believed by the Trustee to be competent and certified by the president or treasurer of the Company to be disinterested.

Additional property may include acquired plants or systems and need not consist of a specific or completed development, plant, or extension, addition, betterment or improvement, but may include additional or partially completed construction work (except any construction work begun prior to the execution and delivery hereof), or any such work as conforms to the provisions hereof and (whether or not capable of specific description and identification) as is ordinarily carried in plant or plant addition accounts by a company carrying on a business and operating property similar to that of the Company; provided, however, that, before taking any action in respect of any property as additional property hereunder the Trustee may at any time and from time to time in its discretion require (and, in each instance where the estimated cost or fair value of completely constructed additional property aggregates more than one hundred thousand dollars (\$100,000), the Trustee shall receive) such evidence, assurance, indemnity or guaranty as it shall deem satisfactory that any such partially completed construction or other work will be completed to the satisfaction of the Trustee within a reasonable time.

In connection with all provisions hereof relating to additional property, as herein defined, the cost thereof shall for all purposes be deemed to be its actual cost in cash to the Company, including interest during construction only to the extent directly attributable to such construction, and the fair value thereof shall be deemed to be the price which, as of the time such value is to be determined, the additional property in question would bring within a reasonable time if offered at private sale, taking into consideration its location, condition and adaptability for the purposes for which it was designed; provided, however, that the fair value of any additional property shall not exceed the cost of equivalent new property less depreciation, that each item of machinery, fixtures or equipment (to the extent included in additional property as herein defined) shall be deemed to have been acquired by the Company at the date of its installation, and that, if any additional property is incapable of being separated, or considered or sold separately, from other property, its value shall be deemed to be a proportionate part of the value of the whole, including such other property.

Section 5. Whenever used in this Indenture the words "gross operating revenues" include and mean the total receipts of the Company from the business of operating its ice manufacturing properties and selling or otherwise disposing of the product thereof, including the incidental business of selling and operating cotton gins and disposing of cotton seed oil and other products thereof and its net profit as determined by good accounting practice from dealing in coal and other fuels.

Whenever used in this Indenture the words "net earnings" include and mean the total earnings of the Company from the business of operating its ice manufacturing properties embraced in the Trust Property, and selling or otherwise disposing of the product thereof, including the incidental business of selling and operating cotton gins and disposing of cotton seed oil and other products thereof and dealing in coal and other fuels, and other incidental business, all commissions received for selling the products of other companies in connection with the sale of the Company's product, all interest received on cash and interest and dividends received on securities, owned by the Company, constituting legal investments for trustees or savings banks in New York, and on obligations taken in the ordinary course of the business aforesaid for merchandise sold (but not including any profits derived from the sale of capital assets or income or profits of any kind except as aforesaid), less all operating, producing, manufacturing, selling, administrative, general and miscellaneous expenses of the Company incidental to the business aforesaid, including taxes, insurance, license charges and rentals, and interest on indebtedness (other than interest on the Bonds secured hereby), and such other charges and reserves as are generally charged against income by companies conducting a business similar to the business of the Company, and any net loss arising from the operations of the Company other than the business aforesaid. The earnings or losses from such other operations shall be determined in a manner analogous, as far as may be, to the manner hereby provided for the determination of the net earnings of the business aforesaid, but only such losses, and not such earnings, shall be included.

In case any property of the Company shall have been owned by it during a part but not during the whole of the period for which such earnings are to be calculated, the net earnings of such property during the portion of such period which preceded the acquisition of such property by the Company shall be included in net earnings for the purposes of this Indenture, provided that only such earnings of such property during such period preceding acquisition shall be included as the accountant calculating net earnings for the purposes of this Indenture shall have identified as having been derived from uses similar to the use which the Company would make of such property in the normal conduct of its business and as being earnings which would have been earned and included had the Company owned such property during the entire period.

ARTICLE II

General Provisions as to the Bonds.

Section 1. Subsection A. The Bonds may be issued in series. Each series shall be designated in such manner, approved by the board of directors of the Company and the Trustee, as to distinguish it from all other series.

The Bonds may have endorsed thereon such legend or legends, relating to the exchangeability thereof, or otherwise, and/or may contain such provisions, as may be approved by the Trustee and as may be required to comply with the rules of any stock exchange or to conform to usage or law with respect thereto.

Subsection B. The permanent Series A Bonds shall be printed from type on steel engraved tint. The permanent Series A Bonds, interest coupons and Trustee's certificate shall be substantially in the form heretofore set forth, with appropriate variations and insertions for the different denominations (all Bonds of Series A of the same denomination being identical except as to number).

All Bonds of any one series subsequent to Series A shall, except as hereinafter provided, be identical in tenor and effect. Bonds of series subsequent to Series A may contain such insertions, omissions and variations in said forms of Series A Bonds, and of the interest coupons, certificates, forms and other matters thereto appertaining, as shall be determined by the board of directors of the Company at the time of the first issue of any new series, and embodied in an indenture with the Trustee supplemental to this Indenture, in form approved by the Trustee and approved by an opinion of counsel (who may be of counsel to the Company) as not being inconsistent with the provisions hereof, in respect (as regards each such subsequent series respectively) of the designation and amount of the series, the place or places and medium of payment, the date, maturity (provided, however, that so long as any Bonds of Series A remain outstanding, no bonds of any other series shall be issued having an earlier maturity than June 1, 1942), interest rates, interest payment dates, issue numbers, form (whether coupon or fully registered or both), denominations, and provisions, if any, for registration and transfer, for payment with or without deduction or reimbursement for taxes, for the call and redemption thereof before maturity, for the conversion thereof into stock of the Company, for the exchange of Bonds of different denominations, forms and series, for a sinking, improvement or analogous fund, for subscription to stock of the Company and for any other matters which are required by any provision hereof to be determined by the board of directors of the Company and for any other matters determined by said board in a manner not inconsistent with any of the provisions hereof.

Subsection C. The authorized aggregate principal amount of the Bonds may be executed by the Company and certified by the Trustee shall not be limited except as the board of directors of the Company by resolutions filed with the Trustee may otherwise provide in respect of any particular series at the time of the initial issue thereof, and except as otherwise provided in Article III and elsewhere in this Indenture, and except that the aggregate principal amount of the Bonds outstanding at any time shall never in any event exceed the amount at that time permitted by law.

The authorized aggregate principal amount of the Bonds of Series A which may be executed by the Company and certified by the Trustee is limited so that at no time shall there be issued or outstanding under this Indenture Bonds of Series A for an aggregate principal amount exceeding (except as provided in section 4 of this Article in respect of the exchange and transfer of Bonds, in section 5 of this Article in respect of mutilated, destroyed or lost Bonds and in section 6 of this Article in respect of temporary Bonds) one million one hundred thousand dollars (\$1,100,000), consisting of coupon Bonds, registrable as to principal only, of the denominations of one thousand dollars (\$1,000) each, numbered consecutively from M1 upwards, and five hundred dollars (\$500) each, numbered consecutively from D1 upwards.

Section 2. All of the Bonds shall be executed in the name and on behalf of the Company and under its corporate seal by its president or one of its vice-presidents, attested by its secretary or one of its assistant secretaries. In case any officer of the Company who shall have signed or sealed any of the Bonds shall not have been such officer on the date borne by the Bonds, or shall cease to be such officer before the Bonds so signed or sealed shall have been actually certified and delivered, such Bonds, nevertheless, by presentation to the Trustee for certification, shall be adopted by the Company and may be certified and delivered as herein provided and thereupon shall be issued hereunder and shall be as binding upon the Company as though the person who signed or sealed such Bonds had been such officer of the Company on the date borne by the Bonds and on the date of certification and delivery.

The coupons to be attached to the Bonds shall be authenticated by the facsimile signature of the present or of any future treasurer of the Company and the Company may adopt and use for that purpose the facsimile signature of any person who shall have been such treasurer, notwithstanding the fact that he may not have been such treasurer on the date borne by the Bonds or that he may have ceased to be such treasurer at the time when such Bonds shall be actually executed, certified and delivered.

No Bond or coupon shall be valid or obligatory for any purpose or be issued or entitled to any lien, right, security or benefit under this Indenture unless such Bond, or the Bond to which such coupon appertains, shall bear thereon a certificate executed by the Trustee, substantially in the form heretofore set forth. The Trustee shall be under no liability whatever on account of any defect or invalidity in the execution of any Bond certified by it hereunder. Such certificate by the Trustee upon any such Bonds shall be conclusive and the only evidence that the Bonds so certified, and each coupon appertaining to each such Bond, has been duly issued under this Indenture and is valid, obligatory and entitled to the rights, benefits and security hereof, not only as against the Company, but also as against the Trust Property, all claimants thereto and all other Bondholders hereunder.

Before certifying or delivering any Bond, all coupons thereon then matured shall be cut off, cancelled and, on its written demand, delivered to the Company by the Trustee, except as provided in section 5 of this Article, and except that Bonds issued upon exchanges of fully registered Bonds, if any, for coupon Bonds may bear such coupons as may be necessary in order that no gain or loss of interest shall result from such exchange.

Section 3. The Bonds shall be treated as negotiable, subject to the provisions for registration and transfer contained in this Indenture and in the Bonds, and the coupon Bonds, except while registered as to principal otherwise than to bearer, shall pass by delivery; registration of any coupon Bond as to principal shall not affect the negotiability of its coupons, which shall remain payable to bearer, be treated as negotiable and pass by delivery, whether or not the Bond to which any coupon appertains is registered; and the Company, and every successive bearer and owner of each of the Bonds by accepting or holding the same, consents and agrees to the foregoing provisions and each invites the others, and all persons, to rely thereon. Both principal of and interest on each Bond will be paid without regard to any equities arising between the Company and the original or any intermediate bearer or owner of any Bond. The Company, the Trustee and any other person may treat the bearer (or, in case of registration otherwise than to bearer, the registered owner) of any Bond, and the bearer of any coupon, whether or not the Bond to which it appertains is registered as to principal, as in each case the absolute owner of such Bond or coupon, as the case may be, for the purpose of receiving payment therefor and for all other purposes, and neither the Company nor the Trustee shall be affected by any notice to the contrary, whether such Bond or coupon shall be overdue or not. All payments of or on account of interest to any bearer of any coupon, or to any registered owner of any fully registered Bond (or his registered assign, if any), and all payments of or on account of principal to any bearer (or, if registered otherwise than to bearer, to any registered owner) of any Bond shall be valid and effectual and shall be a discharge of the Company in respect of the liability upon the Bond or coupon, or claim for interest, as the case may be, to the extent of the sum or sums so paid.

Section 4. Subsection A. The Company will keep, at the Columbia office of the Trustee, and/or at such other places, if any, as may be specified in any of the Bonds, at all times while any of the Bonds containing provisions for registration, transfer and/or exchange shall be outstanding and unpaid, books for the registration and transfer of the Bonds, and, upon presentation at such office for such purpose any bearer of any unregistered coupon Bond containing provisions for registration as to principal only, the Company will, under such reasonable regulations as it may prescribe with the approval of the Trustee, from time to time register or cause to be registered therein the ownership, as to principal only, of any such coupon Bond, such registration being noted on the Bond by an officer of the agent for registration. After such registration and notation, no transfer of any such coupon Bond registered otherwise than to bearer shall be valid unless evidenced by a written instrument of transfer, in form satisfactory to the Agent for registration, duly executed by the registered owner in person or by his duly authorized representative, and unless such transfer is similarly registered and noted; but any such coupon Bond so registered may be discharged from registration, and transferability by delivery be restored, by like transfer to bearer similarly registered and noted. Any such coupon Bond containing provisions for registration may again, from time to time, in like manner, be registered as to principal only, or be transferred to bearer.

Subsection B. If so provided by the board of directors of the Company, Bonds (of any series, and of any denomination or form, as may be designated by said board) may be made exchangeable, under such reasonable regulations as said board shall prescribe with the approval of the Trustee, for an equal aggregate principal amount of other Bonds (of such series, and of such denomination and form, as may be designated by said board).

Whenever Bonds of Series A of the denomination of one thousand dollars (\$1,000), together with all unmatured coupons thereunto appertaining, shall be surrendered to the Trustee, the Company will issue, and the Trustee shall certify, and in exchange therefor shall deliver, a like principal amount of Bonds of Series A in denominations of five hundred dollars (\$500), bearing all unmatured coupons; and whenever Bonds of Series A of the denomination of five hundred dollars (\$500), aggregating one thousand dollars (\$1,000) or some multiple thereof, together with all unmatured coupons thereunto appertaining, shall be surrendered to the Trustee, the Company will issue, and the Trustee shall certify, and in exchange therefor shall deliver, a like principal amount of Bonds of Series A of the denomination of one thousand dollars (\$1,000), bearing all unmatured coupons.

Subsection C. All Bonds executed, certified and delivered in exchange for or upon transfer of Bonds so surrendered shall be valid obligations of the Company, evidencing the same debt as the Bonds surrendered, and shall be secured by this Indenture and entitled to all the benefits and protection hereof to the same extent as the Bonds in exchange for or upon transfer of which they were executed, certified and delivered.