

connection have been paid in full, and (iii) an Opinion of Counsel stating that the NII Mortgage (or this Indenture if NII shall have been merged into the Company) constitutes a valid first mortgage lien on the Nylon 66 Plant, as so constructed, subject only to Permitted Encumbrances and to the exceptions, reservations and restrictions set forth in Schedule A to the NII Mortgage.

SECTION 5.13. *Expansion and Construction of Polyester Plants.* The Company will proceed with all reasonable speed with the expansion and construction to completion of its Polyester Plants and will complete such expansion and construction on or before June 30, 1967. Such expansion and construction shall be deemed to have been completed when (1) the Polyester Plants achieve a combined production capacity of polyester fibers at the rate of not less than 75,000,000 pounds annually on an economically sound basis, and (2) the Company shall have delivered to the Trustee and to the holders of the Bonds (i) an Officers' Certificate and, if then or theretofore requested in writing by the holders of not less than 66 $\frac{2}{3}$ % in aggregate principal amount of the Bonds at the time outstanding, a certificate signed by an Engineer, to the effect set forth in clause (1) above, (ii) an Officers' Certificate stating that the Company has paid, and has obtained lien waivers with respect to, all claims for labor in connection with such expansion and construction, and that all other costs in such connection have been paid in full, and (iii) an Opinion of Counsel stating that this Indenture constitutes a valid first mortgage lien on the Polyester Plants, as so expanded and constructed, subject only to Permitted Encumbrances and to the exceptions, reservations and restrictions set forth in Article Thirteen.

SECTION 5.14. *Financial Statements.* The Company will deliver to the Trustee:

(a) as soon as practicable and in any event within 45 days after the end of each quarterly period (other than the last quarterly period) in each fiscal year, a consolidated profit and loss statement and reconciliation of surplus statement of the Company and its Subsidiaries for such quarterly period and for the period from the beginning of the current fiscal year to the end of such quarterly period, and a consolidated balance sheet of the Company and its Subsidiaries as at the end of such quarterly