

MORTGAGE OF REAL ESTATE

37276 PROVIDENCE-JARRARD CO.-GREENVILLE

BONDS:

The term "Bond" or "Bonds" shall mean any Bond or all the Bonds, as the case may be, authenticated and delivered under this Indenture.

The term "outstanding under this Indenture" or "outstanding hereunder" or "outstanding", when used with reference to Bonds, shall mean as of any particular time all Bonds authenticated and delivered under this Indenture, except;

(a) Bonds canceled at or prior to the particular time,

(b) Bonds for the payment of redemption of which cash shall have theretofore been deposited with the Trustee (whether upon or prior to the maturity or the redemption date of such Bonds), provided that if such Bonds are to be redeemed prior to the maturity thereof, notice of such redemption shall have been published as in Article V provided or provision therefor satisfactory to the Trustee shall have been made, and

(c) Bonds in lieu of and in substitution for which other Bonds shall have been authenticated and delivered pursuant to Section 13 of Article II:

The term "issued" when used with respect to Bonds shall mean sold or otherwise disposed of by the Company.

BONDS OF 1966 Series:

The term "Bonds of 1966 Series" shall mean the Bonds authenticated and delivered pursuant to the provisions of Section 2 of Article III.

CERTIFIED RESOLUTION:

The term "certified resolution" shall mean a copy of a resolution certified by the Secretary or an Assistant Secretary of the Company, under its corporate seal, to have been duly adopted by the Board and to be in full force and effect on the date of such certification.

COMPANY:

The term "Company" shall mean the party of the first part hereto, Piedmont and Northern Railway Company, and, subject to Article XII, shall also include its successors and assigns.

CORPORATION:

The term "corporation" shall also include voluntary associations, joint stock companies and business trusts.

COST TO THE COMPANY:

The term "cost to the Company", when used with respect to any particular property additions or any particular other property, shall mean the amount charged upon the books of the Company, in respect of such property additions or other property of the acquisition or construction thereof by the Company, in accordance with the Rules and Regulations, or, if there are no such Rules and Regulations applicable thereto at the time, then in accordance with sound accounting practice.

COUNSEL:

The term "counsel" shall mean counsel (who may be of counsel to the Company) appointed by the Board and acceptable to the Trustee.

COUPONS:

The term "Coupon" or "coupons" shall mean any interest coupon or all the interest coupons, as the case may be, appertaining to the Bonds.

ENGINEER:

The term "engineer" shall mean an individual or a copartnership or a corporation qualified to pass upon engineering questions, whether or not employed by or in any way affiliated with the Company.

ENGINEER'S CERTIFICATE:

The term "engineer's certificate" shall mean a certificate signed and verified by the President or a Vice President of the Company and by an engineer appointed by the Board and acceptable to the Trustee.