

MORTGAGE OF REAL ESTATE

57276 PROVISIONS-LARRARD CO.-GREENVILLE

EQUIPMENT:

The term "equipment" as used in Article VIII shall mean all equipment properly chargeable to Equipment Account, included in Road and Equipment Account, as such accounts are presently entitled and from time to time defined in the Rules and Regulations.

EVENT OF DEFAULT:

The term "event of default" shall mean any event of default specified in Section I of Article IX, continued for the period of time, if any, therein designated.

FAIR VALUE TO THE COMPANY:

The term "fair value to the Company," when used with respect to any particular property additions or any other particular property, shall mean the fair value thereof to the Company determined, as of a date not more than ninety (90) days prior to the date of filing of any particular certificate in which such property is described, or in cases where no certificate is filed with the Trustee, as of a date not more than ninety (90) days prior to the particular time in question.

The "fair value to the Company" of any particular property additions or particular property subject to any permitted liens or subject to any judgment liens with respect to which sufficient cash is deposited with the Trustee to discharge the same, shall be determined as if such property additions or other property were free of such liens.

The "fair value to the Company" of any property additions consisting of acquired systems shall not include any amount for any franchises or other rights or non-bondable property acquired simultaneously therewith or used in connection therewith, even though no separate or distinct consideration shall have been paid for, or apportioned to, such franchises or other rights or property.

The "fair value to the Company" of any particular property additions or particular property shall be determined after making due allowance for depreciation or obsolescence, or both; and in no case, except for the purpose of the release thereof pursuant to the provisions of Section 3 of Article VI, shall the fair value to the Company of any particular property additions or particular property be deemed to be greater than (i) the cost to the Company thereof less reserves for depreciation or obsolescence, or both, after the acquisition or construction thereof by the Company thereof less reserves for depreciation or obsolescence, or both, after the acquisition or construction thereof by the Company, at not less than the rates, if any, prescribed by the Interstate Commerce Commission, and (ii) in the case of equipment acquired by the Company which was not new equipment at the time of such acquisition, the original cost to the vendors of such equipment less 5% thereof for each full year elapsed between the January 1 next succeeding the date of the original acquisition or construction of such equipment as new equipment and the date as of which the fair value to the Company of such equipment is being determined.

FIXED CHARGES OF THE Company;

The term "fixed charges of the Company" shall mean all amounts properly chargeable to the following accounts; (i) Rent for Leased Roads, (ii) Interest on Funded Debt, (iii) Interest on Unfunded Debt and (iv) Amortization of Discount on Funded Debt, under the Rules and Regulations, or, if there are no such Rules and Regulations, then in the opinion of the signers of a certificate of the nature required by Section 3(b) of Article III.

GROSS PROPERTY ADDITIONS:

The term "gross property additions", as applied to any particular period, shall mean all of the property additions purchased, constructed or otherwise acquired by the Company during such period, including property additions purchased, constructed or otherwise acquired during such period, but retired during such period.

INDENTURE:

The term "Indenture" or "this Indenture" or other reference hereto shall mean this instrument and all indentures supplemental hereto.