

MORTGAGE OF REAL ESTATE

8776 PROVISION-JANUARY CO.-GREENVILLE

The term "net earnings of the Company available for fixed charges" shall mean the net income of the Company, except that there shall not be deducted in determining the same, any fixed charges of the Company or any reserves for income or excess or other profits taxes of the Company which are imposed on income after the deduction of interest; provided, however,

(a) No income received or accrued by the Company from securities and no profits or losses from the sale of capital assets shall be included in making such computations.

(b) In case the Company shall have acquired any property additions or shall have been consolidated or merged with any other corporation, or shall have acquired all or substantially all of the assets of another corporation, within or after the particular period for which the calculation of net earnings of the Company available for fixed charges is made, then, in computing the net earnings of the Company available for fixed charges there shall be included, to the extent they may not have been otherwise included, the net earnings or net losses of such property additions or of such other corporation, as the case may be, for the whole of such period. The net earnings of such property additions, or of such other corporation, for the period preceding such acquisition of such consolidation or merger, shall be ascertained and computed as provided in the foregoing subdivisions of this definition as if such property additions or the assets of such other corporation as the case may be, had been owned by the Company during the whole of such period, or as if such other corporation had been consolidated or merged with the Company prior to the first day of such period.

(c) In case the Company shall have obtained the release of any property pursuant to Section 3 of Article VI, of a fair value in excess of Fifty thousand dollars as shown by the engineer's certificate required by said Section 3, or shall have obtained the release of any property pursuant to Section 4 of Article VI, the proceeds of which shall have exceeded Fifty thousand dollars, within or after the particular period for which the calculation of net earnings of the Company available for fixed charges is made, then, in computing the net earnings of the Company available for fixed charges, the net earnings or net losses of such property for the whole of such period shall be excluded to the extent possible on the basis of actual earnings and expenses of such property or on the basis of such estimates of the earnings and expenses of such property as the signers of an officers' certificate filed with the Trustee pursuant to Section 3(b) of Article III shall deem proper.

NET INCOME OF THE COMPANY:

The term "net income of the Company" shall mean the "net income" of the Company as such term is defined in the Rules and Regulations. If there shall be no definition of net income in such Rules and Regulations applicable to the Company for the particular period in question, then "net income" shall mean the total operating revenues and net non-operating revenues of the Company, less (i) all operating expenses, including all rentals, insurance, expenditures for current maintenance, reserves for property retirements, depreciation and taxes, (ii) all interest charges and amortization of debt discount and expense, and (iii) reserves for income and excess or other profits taxes which are imposed on income after the deduction of interest; all determined in accordance with good accounting practice.

NON-BONDABLE PROPERTY:

The term "none-bondable property" shall mean any property (other than bondable property) owned by the Company on December 1, 1936, or purchased, constructed or otherwise acquired by it after December 1, 1936.

OFFICERS' CERTIFICATE:

The term "officers' certificate" shall mean a certificate signed and verified by the President or a Vice-President and the Treasurer or an Assistant Treasurer of the Company.

OPINION OF COUNSEL:

The term "opinion of counsel" shall mean an opinion or opinions in writing signed by counsel.