

MORTGAGE OF REAL ESTATE

37276 PROVINCIAL-LANARK CO.-GREENVILLE

PERMITTED LIENS:

The term "permitted liens" shall mean:

- (a) undetermined liens and charges incidental to construction;
- (b) the right reserved to, or vested in, any municipality or public authority by the terms of any right, power, franchise, grant, license, permit or by any provision of law, to purchase or recapture or to designate a purchaser of, any of the mortgaged property;
- (c) the lien of taxes for the then current year;
- (d) the lien of taxes and assessments not at the time due; and
- (e) the lien of specified taxes and assessments already due but the validity of which is being contested at the time by the Company in good faith, unless thereby in the opinion of counsel or of the Trustee any of the mortgaged property may be lost or forfeited.

PROPERTY ADDITIONS:

The term "property additions" shall mean any additions (as from time to time defined in the below mentioned rules and regulations); and betterments (as from time to time so defined) to or about any of the mortgaged property of the Company upon which mortgaged property at the particular time there is no lien prior to or pari passu with the lien of this Indenture except specified judgment liens and permitted liens; in each case purchased, constructed or otherwise acquired by the Company after December 1, 1936 and properly chargeable to Road and Equipment account under the rules and Regulations, or, if there are no Rules and Regulations, then in the opinion of the signers of a certificate of the nature required by Section 4(a) of Article III or Section 1(b) of Article VII; and shall also mean ^{lands on which warehouses or industrial plants} warehouse, industrial plants, ^{are situated,} and lands intended to be used as sites for warehouses or industrial plants, purchased, constructed or otherwise acquired by the Company after December 1, 1936, provided (a) such plants, warehouses and lands are serviced or capable of being serviced by the Company (b) such plants, warehouses, and lands are used or intended for use by parties shipping or receiving freight over a railroad line of the Company or such warehouses are used or intended for use for the storage of merchandise shipped or to be shipped over a railroad line of the Company and (c) such railroad line constitutes mortgaged property of the Company upon which there is no lien prior to or pari passu with the lien of this Indenture except specified judgment liens and permitted liens.

"Property additions" as so defined, without limitation of the general import of such terms, may, subject to the foregoing, include;

- (a) subject to Article XII, property acquired by the Company or by a successor corporation as a result of any consolidation or merger to which the Company or any successor corporation may be a party;
- (b) betterments, warehouses and industrial plants in the process of construction or partially completed, in so far as actually constructed or completed;
- (c) property purchased, constructed or otherwise acquired to replace property retired;
- (d) rights of way and easements, and property installed by the Company upon any such right of way or easement; and improvements, held by the Company and subjected to the lien of this Indenture, in or upon any public highway;
- (e) railroad line equipment and appurtenances located, under the terms of any franchise or governmental permit, on property not owned by the Company.

"Property additions" as so defined shall not include:

- (aa) good will or going concern value,
- (Bb) any contracts or operating agreements or franchises or governmental permits,
- (cc) any shares of stock or certificates or evidences of interest therein, or any bonds, notes or other evidences of indebtedness or certificates of interest therein or any other securities,
- (dd) any equipment, materials, merchandise or supplies acquired for the purpose of resale or leasing to its customers in the ordinary course and conduct of the business of the Company, or equipment or any materials or supplies held in advance of use thereof for capital