

MORTGAGE OF REAL ESTATE

37276 PROYMOG-LARRARD CO.-GREENVILLE

(5) All Bonds of 1966 Series delivered to the Trustee in lieu of cash or otherwise retired by operation of the sinking fund in accordance with the provisions of this Subdivision (d) together with the unmatured coupons thereto appertaining, shall be cancelled by the Trustee, which shall deliver them to the Company. Bonds of 1966 Series so cancelled shall not be reissued and no additional Bonds shall be authenticated and delivered and no property or obligation shall be released or cash withdrawn or reduced under the provisions of this Indenture on the basis thereof.

SECTION. 3. The Trustee shall not authenticate and deliver any additional Bonds pursuant to Sections, 4, 5 and 6 of this Article if the Company is in default hereunder to the knowledge of the Trustee. Except as otherwise specifically provided in Section 6 (b) of this Article, the Company shall file with the Trustee, upon any application for the authentication of additional Bonds pursuant to Section 4, 5 and 6 of this Article;

(a) A certified resolution of the Board of Directors authorizing the execution and requesting the authentication and delivery of the additional Bonds applied for in the principal amount therein specified, designating the series of such Bonds, as created by the terms of an indenture supplemental hereto, and naming the officer or officers of the Company to whom or upon whose order such Bonds shall be delivered.

(b) An officers' certificate stating in substance that

(1) The net earning of the Company available for fixed charges for any twelve consecutive calendar months during the period of fifteen calendar months immediately preceding the first day of the month in which the application for authentication and delivery of additional Bonds is made, have been in the aggregate equal to not less than one and three-fourths times the sum of the annual fixed charges of the Company, at the date of the signing of the certificate then being filed, and the annual interest charges on the additional Bonds applied for;

(2) The net earnings of the Company available for fixed charges have been calculated in accordance with the definition thereof contained in Article I, and to that end specifying the operating revenues of the Company and the net nonoperating revenues of the properties of the Company, the deductions therefrom, the fixed charges of the Company for the twelve consecutive months during the fifteen months' period, the annual fixed charges of the Company at the date of the signing of the Certificate then being filed, and the annual interest charges on the additional Bonds applied for; and

(3) The signers do not know and do not believe that the Company is, or upon the granting of the application will be, in default in the performance of any of the terms and covenants of this Indenture.

(c) An opinion of counsel to the effect that:

(1) Since the date of the last previous opinion of counsel filed with the Trustee pursuant to Sections 4, 5 or 6 of this Article (or since November 30, 1936 in the case of the first opinion filed hereunder), no property described in the granting clauses of this Indenture or in any previous certificate filed with the Trustee pursuant to Section 4(a) of this Article or Sections 1 (b), 3 (a) or 5 of Article VII, which is still owned by the Company, has become and still remains subject to any mortgage or other lien or encumbrance (except easements or similar encumbrances) not existing thereon at such previous date prior to or pari passu with the lien of this Indenture as security for the additional Bonds then applied for, excepting specified judgment liens and permitted liens, or to any easement or similar encumbrance except such as, in the opinion of such counsel, do not and will not impair the use by the Company of the property subject thereto for the purposes for which it is used;

(2) The issue of the additional Bonds, the authentication and delivery of which are being applied for, has been duly authorized by all governmental authorities the consent of which is requisite to the legal issue of such Bonds or that no such consent is required; and, unless such opinion shall show that no consent of any governmental authority is requisite to the legal issue