

MORTGAGE OF REAL ESTATE

corporate successor or successors in title to the properties vested in it or in its successor and at the time of such succession subject to the lien hereof;

(b) "Trustee"- City National Bank and Trust Company of Chicago, one of the second parties hereto, and its corporate successor or successors in the trusts hereby created and reposed in it;

(c) "Co-Trustee"- Arthur T. Leonard, one of the second parties hereto, and his successor or successors in the trusts hereby created and reposed in him;

(d) "Mortgaged property"- the physical properties at the time subject to the lien hereof, including franchises, leases, rights of way, privileges, ordinances, permits, patents and easements in anywise pertaining thereto or to the operation thereof;

(e) "Underlying mortgages"- any and all instruments securing bonds, notes, or other evidences of indebtedness and constituting liens upon physical property additions subject to which such physical property additions shall hereafter be acquired;

(f) "Underlying bonds"-any and all bonds, notes or other evidences of indebtedness at the time outstanding secured by underlying mortgages;

(g) "President"-the president and each and every vice president and each and every other officer of the corporation concerned authorized to exercise the powers and authority customarily reposed in the president of a corporation;

(h) "Secretary"-the secretary and each and every assistant secretary and each and every other officer of the corporation concerned authorized to exercise the powers and authority customarily reposed in the secretary of a corporation;

(i) "Treasurer"-the treasurer and each and every assistant treasurer and each and every other officer of the corporation concerned authorized to exercise the powers and authority customarily reposed in the treasurer of a corporation;

(j) "Counsel"-any counsel appointed by the Company and approved by the Trustee, including any counsel in the employ of the Company and so appointed and approved;

(k) "Engineer"-any individual or copartnership or corporation, selected by the Company and approved by the Trustee, engaged in the engineering business and not devoting all or substantially all of his or its efforts to the service of the Company;

(l) "Accountant"-any accountant or firm of accountants selected by the Company and approved by the Trustee;

(m) "Physical property additions"-any and all additions to and extensions of the mortgaged property made or acquired after July 1, 1936, and any and all properties acquired or constructed by the Company after such date and used or useful in the business of providing telephone service within the State of South Carolina or any state or states contiguous to the State of South Carolina, including (1) renewals and replacements to the extent that the cost of the new property exceeds the original cost of the property renewed or replaced, (2) properties acquired as entireties or substantially as entireties to the extent of the cost or fair value thereof, whichever is the lower, and (3) proper charges for overhead, in accordance with generally accepted systems of accounting, incurred in connection with the construction of any such physical additions (but excluding additions to, or extensions, renewals or replacements of, any part of the mortgaged property acquired as an entirety or substantially as an entirety, subject to the lien of any underlying mortgage, when such part of the mortgaged property is not included in any certificate filed with the Trustee responsive to the provisions of subparagraph (e) of section 5.01 hereof or has not theretofore been made the basis for the issuance of bonds or the withdrawal of cash hereunder) provided, however, that items within the purview of subdivisions (1) and (3) hereof shall in every case be properly chargeable to either plant account or capital account under proper accounting practices of corporations carrying on a business similar to that of the Company;

(n) "Actual cash expenditures"-cash funds expended by the Company, and/or credit extended to the Company, and/or stocks, bonds or other securities delivered by the Company at values not in excess of the fair and reasonable values thereof. In determining the amount of actual cash expenditures made for any physical property additions acquired subject to any lien securing any bonds, notes or other evidences of indebtedness, the principal amount of such bonds, notes or other evidences of indebtedness shall be considered a part of and included in such expenditures;

(o) "Acquired"-when used in connection with physical property additions, the acquisition of any physical property additions by purchase or construction;

(p) "Certified copy of a resolution"-a copy of a resolution certified by the secretary of the Company to have been by the requisite majority of the board of directors or stockholders duly passed and adopted at a meeting of such board or stockholders duly called and convened.

SECTION 1.02. Words of the masculine gender shall be deemed and construed to include correlative words of the feminine and neuter genders.

SECTION 1.03. The words "bonds," "owner," "holder" and "person" shall include the plural as well as the singular number unless the context shall otherwise indicate. The term "bondholders" means and contemplates, unless the context otherwise indicates, the holders of the bonds of the bonds at the time issued and outstanding hereunder. Each of the words "person," "corporation" and "association" shall include either of both of the others, unless the context shall otherwise indicate.