

MORTGAGE OF REAL ESTATE

38572 PROVINCE-JARRARD CO.-GREENVILLE

Additions subject to Prior Lien as shall have continued to be subject to Prior Lien, used as a basis for the release from the Lien of this Indenture of Funded Property (other than Funded Property subject to Prior Lien) or the basis of a credit under the provisions of Section 38 or Section 39 hereof, and

(e) the principal amount of all Prior Lien Bonds to be Outstanding upon the granting of such application,

do not in the aggregate exceed fifteen per centum (15%) of the aggregate principal amount of (1) all bonds authenticated and delivered under this Indenture to the date of such application, including those applied for (except bonds authenticated and delivered hereunder upon transfer of which or in exchange or substitution for and/or in lieu of which other bonds have been authenticated and delivered under any of the provisions of this Indenture) and (2) all Prior Lien Bonds to be Outstanding upon the granting of such application.

No bonds shall be authenticated and delivered under the provisions of this Article V (nor Funded Cash be withdrawn, nor Funded Property be released under any of the provisions of this Indenture, nor credit taken under the provisions of Section 38 or Section 39 hereof) upon the basis of any Property Additions subject to Prior Lien, in any case unless (a) it shall be stated in an Engineer's Certificate accompanying the application that the aggregate principal amount of Outstanding Prior Lien Bonds secured by Prior Lien on such Property Additions does not exceed in principal amount fifty per centum (50%) of the Cost (which shall be computed as in Section 25 hereof provided) or of the then Fair Value to the Company (whichever shall be less) of the Property Additions subject to such Prior Lien or (b) such certificate shall show that the required amount has theretofore been deducted in compliance with the provisions of this Section when other Property Additions subject to such Prior Lien shall have theretofore been made the basis under any of the provisions of this Indenture for the authentication and delivery of bonds or the withdrawal of cash or the release of property or the basis of credit under the provisions of Section 38 or Section 39 hereof and that since the date of such deduction property of the Company has continued to be subject to such Prior Lien.

The Corporate Trustee shall assume that any Property Additions subject to Prior Lien which shall have formed the basis, under any of the provisions of this Indenture, for the authentication and delivery of bonds or the withdrawal of Funded Cash or the release of Funded Property or the basis of a credit under the provisions of Section 38 or Section 39 hereof have continued to be subject to Prior Lien until the Corporate Trustee shall have received a Treasurer's Certificate (accompanied by a concurring Opinion of Counsel) to the contrary.

If at any time and from time to time, by reason either of the discharge of any Prior Lien or an increase in the aggregate amount of bonds authenticated and delivered under this Indenture there shall be a change in the aggregate principal amount of bonds which may be authenticated and delivered within the limitations prescribed by this Section, then any bonds, which before such change were not permitted to have been authenticated and delivered by reason of such limitation, may be authenticated and delivered subject to such limitations as fixed by such change.

No bonds shall be authenticated and delivered under the provisions of this Section unless the Corporate Trustee at the time of the application for such authentication and delivery shall receive a Resolution, Treasurer's Certificate and Opinion of Counsel such as are described in subdivisions (1), (2) and (8) of Section 28 hereof together with the officially authenticated certificates or other documents, if any, specified in such Opinion of Counsel, and, in case the bonds are to be authenticated and delivered under the provisions of the next preceding paragraph of this Section by reason of an increase in the aggregate principal amount of bonds authenticated and delivered under this Indenture having increased the aggregate principal amount of bonds, which may be authenticated and delivered within the limitations prescribed by this Section, a Net Earning Certificate showing the Net Earnings of the Company to be as required by Section 27 hereof.

SECTION 27. No bonds shall be authenticated and delivered upon the basis of Property Additions unless, as shown by a Net Earning Certificate, the Net Earnings of the Company for the period therein referred to shall have been in the aggregate either (1) at least equivalent to twice the Annual Interest Requirements upon the aggregate principal amount of bonds and indebtedness as shall be specified, pursuant to the provisions of subdivision (B) of Section 7 hereof, in such Net Earning Certificate, or (2) at least equivalent to ten per centum (10%) of the aggregate principal amount of bonds and indebtedness upon which Annual Interest Requirements are to be computed pursuant to the provisions of subdivision (B) of said Section 7, in such Net Earning Certificate.

SECTION 28. No bonds shall be authenticated or delivered hereunder by the Corporate Trustee upon the basis of Property Additions, until the Corporate Trustee shall have received:

(1) a Resolution requesting the Corporate Trustee to authenticate and deliver bonds, (a) specifying the principal amount of bonds called for, the series thereof and any other matters with respect thereto required by this Indenture, and (b) specifying the officer or officers of the Company to whom or upon whose written order, such bonds shall be delivered.

(2) a Treasurer's Certificate stating that the Company is not to the knowledge of the signers in default under any of the provisions of this Indenture.