

It is hereby covenanted, declared and agreed by the Company that all of said indebtednesses are incurred, or to be incurred and evidenced, as herein recited, and that all of the property subject or to become subject hereto is to be held upon and subject to the covenants, conditions and uses herein set forth, and the Company and each of the Subsidiaries for itself, its successors and assigns, do hereby covenant and agree to and with the Mortgagee for the benefit of the Bank, the Mortgagee and Cities Service, as follows:

FIRST: The obligations and indebtednesses of the Company to be secured hereby are and shall be the Bank Note, the guarantee of Cities Service of the Bank Note, and any renewal or extension thereof, or of any part thereof, to the Bank, and in subordination to the Bank Note the notes of the Company in substantially the form hereinabove recited, payable to the order of Arkansas Fuel Oil Company but in the principal amount of Ten Thousand Dollars (\$10,000.00) and to aggregate, together with any unpaid portion of the Bank Note not more than Two Hundred Thousand Dollars (\$200,000.00) at any one time, said notes bearing interest at the rate of three and one-half per cent (3½%) per annum, payable semi-annually on the 31st day of March and the 30th day of September of each year, and the principal thereof to be payable as follows:

\$40,000.00 aggregate principal amount thereof

September 30, 1952;

\$40,000.00 aggregate principal amount thereof

September 30, 1953;

\$40,000.00 aggregate principal amount thereof

September 30, 1954;

\$40,000.00 aggregate principal amount thereof

September 30, 1955;

and the entire balance of principal thereof September 30, 1956, provided that the Company shall have the option to pay any and all of the indebtedness evidenced by said notes on or before the due date thereof, any such pre-payments to be applied to the last due principal of the indebtedness evidenced thereby.

SECOND: The Company and each of its Subsidiaries hereby covenant and agree as follows:

(a) The Company will duly and punctually pay or cause to be paid to the holders of any of the above recited indebtednesses the principal thereof and the interest accruing thereon at the dates and places and in the manner provided for payment thereof, according to the true intent and meaning thereof, and with respect to said obligation, to the Citizens & Southern National Bank of Atlanta, Georgia, will pay or cause to be paid, or to be duly and properly extended or renewed in whole or in part all of such obligation in such manner as that Cities Service will suffer no loss by reason of its guarantee thereof.

(b) The Company and each of its Subsidiaries are duly licensed to do business in the states in which each of them carries on business (whenever such license is necessary), and the Company and each of its Subsidiaries are duly authorized under the laws of the states of their incorporation and of the states in which they transact business, and all other applicable provisions of law, to execute this Indenture and to incur the indebtednesses and obligations provided to be secured hereby and all corporate action on the part of each to authorize the execution and delivery of this Indenture has been duly and effectively taken, and all of said obligations are and will be valid and legally enforceable obligations of the Company, in accordance with their terms.