

of this Article; provided, however, that the proceeds of such taking, or such sale and conveyance, of all or substantially all of the Trust Property, shall be applied, with other funds, if needed (in addition to any other funds then held by the Trustee hereunder applicable to the purpose), to be furnished by the Company sufficient for the purpose, in retiring or redeeming, pursuant to the provisions of Article X hereof, all Bonds at the time outstanding hereunder.

Section 5. Subject to the provisions of section 7 and 8 of this Article, the Trustee may from time to time permit to be made alterations in or additions to any part of the Trust Property when in the judgment of the Trustee (which may be based upon the affidavit of a person appointed and paid by the Company, and approved by the Trustee) such alterations or additions will not impair the security hereof and will not diminish the value of the Trust Property, and upon receiving such, of any, assurance or guaranty as shall be required by the Trustee that such alterations or additions will be promptly and adequately completed and will not diminish the value of the Trust Property. But, subject as aforesaid, the permission of the Trustee shall not be required as a condition to the making by the Company of such alterations in or additions to the Trust Property as shall cost in any one calendar year not more in their aggregate than fifty thousand dollars (\$50,000), and also as shall not be inconsistent with the use of the Trust Property as a unit for the purposes to which it was devoted or designed prior to such alterations or additions and also as shall not impair the security hereof and as shall not diminish the value of the Trust Property.

Section 6. All moneys received by the Trustee from insurance upon or damage to the Trust Property, and all moneys received by the Trustee pursuant to sections 2 and 4 of this Article, to be applied under this section 6, and all other moneys in the hands of the Trustee hereunder the disposition of which is not herein otherwise provided for, shall be held by the Trustee, subject to the provisions of subsection H of section 1 of Article VII hereof, as security for the payment of the Bonds, and unless applied to such payment may be used and applied in the following manner:

In case the Company shall within one (1) year after the receipt of such money, or within such further period as is hereinafter allowed, acquire or construct additional property, then the Trustee (subject to the provisions of sections 7 and 8 of this Article and upon the conditions hereinafter referred to) shall pay to the Company in installments from time to time, to or on the written order of its treasurer, such portion of such moneys as shall equal the cost or fair value to the Company, whichever is less, of the additional property so acquired or constructed by the Company. Before paying any money to the Company under the provisions of this section, the Trustee shall in every case receive a written application of the treasurer of the Company requesting the payment of a stated amount of money hereunder, accompanied by a certified copy of a resolution of the board of directors of the Company, authorizing such application, and accompanied by the proofs, evidence and authorizations conforming to the provisions hereof and evidencing compliance therewith specified in subsections D, E, F and H of section 3 of Article III hereof.

If before the end of said year the Company shall in good faith have begun the acquisition or construction of such additional property but desires a greater length of time for the completion of the work than said year, then the time for the completion of said work shall be extended for a further period of one (1) year, with the same right on the part of the Company during such additional year to receive portions of said moneys in the same manner as if such acquisition or construction had been completed within the first year; provided, however, that, if in the judgment of the Trustee the failure of the Company to complete such acquisition or construction within said further period is without fault on its part, such additional time may be permitted for the completion of such acquisition or construction as in the Trustee's judgment may be reasonable.

In the case the Company shall not complete such acquisition or construction with reasonable promptness and within the period or extended period of time hereinbefore specified, or in case in any event the Company notifies the Trustee in writing of its intention not to employ said moneys in acquiring or constructing additional property, or in case in any event the Company shall complete, and shall give written notice of completion to the Trustee of, such acquisition or construction of such additional property without exhausting specific moneys received by the Trustee from insurance or other damage to the Trust Property, or received by the Trustee pursuant to the provisions of section 2 or 4 of this Article to be applied under this section 6, then and in each such case the Trustee shall add such moneys in its hands to the sinking fund and apply them as soon as reasonably convenient after such addition as part thereof in accordance with the provisions of section 2 of Article X of this Indenture; but any such addition to the sinking fund shall not relieve the Company from any of its obligations in connection with the sinking fund under any provision of this Indenture.

Section 7. The matters required by any of the provisions of this Article to be dealt with by any resolution, certificate, report or opinion may be covered by two or more resolutions, certificates, reports or opinions, as the case may be, which shall be considered together, and the same officer or officers of the Company or the same engineer, counsel, or other person or persons, as the case may be, need not certify to all the matters required to be certified by such person or persons under the provisions hereof. The Company shall always be at liberty to file with the Trustee resolutions, certificates, reports or opinions additional to those originally filed in respect of any additional property for the purpose of evidencing subsequent changes in respect thereof or in respect of the availability thereof as a basis for the withdrawal of money hereunder.

All resolutions specified in this Article shall be adopted and delivered to the Trustee, and all certificates, reports and opinions specified in this Article (except in respect of the cost, and of the fair value at the time of acquisition, of any additional property) shall be executed and delivered to the Trustee, in each case within ninety (90) days of the date of filing, as herein provided, with the Trustee, of any application provided for in this Article; and such votes, resolutions, certificates, reports and opinions shall each refer to this Indenture and shall recite that all statements made therein are true with reference to all pertinent definitions and uses of terms herein.

Section 8. The Company shall not have the right to exercise any of the privileges in this Article set forth during the continuance of any default or event of default hereunder (whether during or after the periods of grace specified in section 1 of Article V hereof) except with the written consent of the Trustee, which may give or withhold such consent from time to time in its uncontrolled discretion.

In case the Trust Property shall be in the possession of a receiver lawfully appointed, all acts which, under the foregoing provisions of this Article, the Company may do in order to make alterations or to obtain a quitclaim of any part of the Trust Property, or to obtain the payment of any moneys then held by the Trustee, may be done by such receiver with the consent of the Trustee, which may give or withhold such consent from time to time in its uncontrolled discretion. In case the Trustee shall be in possession of the Trust Property under any of the provisions of this Indenture, such acts may be done by the Trustee in its uncontrolled discretion.

No purchaser in good faith of property purporting to be quitclaimed under any of the provisions of this Article shall be bound to ascertain the authority of the Trustee to execute the quitclaim or to inquire as to any facts required by the provisions hereof for the exercise of such authority, or to see to the application of any purchase money.

Before taking any action pursuant to any of the provisions of this Article, the Trustee in its discretion may cause to be made such independent investigation, or secure such further evidence, as it may see fit. The expense thereof shall be borne by the Company and, if paid by the Trustee, shall be repaid by the Company upon demand. The Trustee shall in no case be bound to make such investigation or secure such evidence unless specifically requested in writing in any particular case by holders of not less than fifteen per cent. (15%) in principal amount of all Bonds at the time outstanding hereunder and furnished with security and indemnity satisfactory to the Trustee.

ARTICLE XIII. Stock Purchase Warrants.

Section 1. The Company shall execute and attach, or cause to be executed and attached, to each of the Bonds of Series A, at the time of the original issuance thereof by the Company, a non-detachable warrant in bearer form entitling the bearer of such warrant and of the Bond of Series A bearing the same serial number as such warrant, or, if such bond shall be registered, the registered owner thereof, upon presentation of such warrant (with the subscription form on the reverse thereof duly executed) attached to such bond to the Trustee for detachment, surrender and cancellation of such warrant, to purchase from the Company, at his option, at any time prior to June 2, 1932, one share of the common stock of the Company without par value for each One Hundred Dollars (\$100) principal amount of the bond to which such warrant is attached, if purchased at any time on or before June 1, 1929, at \$10.00 per share, or if purchased after June 1, 1929, and on or before June 1, 1932, at \$12.50 per share, subject, however, to the further rights, conditions and privileges hereinafter, in this Article prescribed; provided, however, that in lieu of attaching such warrants to the temporary Bonds of Series A, if any, the Company may cause to be endorsed thereon or embodied therein an appropriate notation, approved by the Trustee, to the effect that the holders thereof are entitled to receive, with their permanent Bonds, warrants of the character and representing the number of shares, and entitling the holder thereof to the rights and privileges set forth in this Indenture, in the manner and subject to the conditions herein provided.

In the event that on or prior to June 1, 1932, and while any such warrant remains attached to any such bond and unexercised, the bond shall be called for redemption in accordance with the provisions of this Indenture, the bearer or registered owner of the bond shall be entitled to receive, upon surrender of the bond and attached warrant, at the office of the Trustee, a detached warrant issued in the name of such bearer or registered owner, transferable only on the books of the Company by the holder thereof in person or by duly authorized attorney upon sur-

render thereof properly endorsed, giving the holder thereof the same option to purchase common stock of the Company as given by the non-detachable warrant so surrendered.

The said warrants shall be in tenor and form substantially as follows:

(Form of non-detachable stock purchase warrant)

No. Shares

UNITED STATES OF AMERICA
State of Delaware
CAROLINA-GEORGIA SERVICE COMPANY
Non-Detachable
Stock Purchase Warrant
Right to subscribe to shares common stock

Carolina-Georgia Service Company, a Delaware corporation (hereinafter with its successors and assigns as defined in the Indenture mentioned below generally called the "Company"), for value received, hereby promises to issue and to deliver to the bearer of this warrant and of the First Mortgage 6% Sinking Fund Gold Bond Series A of the Company bearing the same serial number as this warrant, or, if said bond shall be registered, to the registered owner thereof (such bearer or registered owner being hereinafter referred to as the "holder hereof"), subject to the conditions hereinafter referred to, and upon presentation on or prior to June 1, 1932, of this warrant, attached to said bond (with the subscription form on the reverse hereof duly executed), for attachment, surrender and cancellation of this warrant, and upon payment to the Company of the sum hereinafter mentioned:

If such purchase be made:

- (a) On or before June 1, 1929, the sum of Dollars (\$) ;
 - (b) After June 1, 1929, and on or before June 1, 1932, the sum of Dollars (\$) ;
- at the Columbia office of the American Exchange Irving Trust Company, or at the principal office of its successor in the trusts created by said Indenture, in the Borough of Manhattan, City and State of New York, a certificate or certificates for fully paid and non-assessable shares of common stock of the Company without par value. Delivery of certificates for such stock will be made within five (5) days (exclusive of any period not exceeding ten (10) days in the aggregate during which the stock transfer books of the Company shall be closed) after such surrender and payment.

This warrant is one of the non-detachable stock purchase warrants referred to and described in Article XIII of the Indenture and Deed of Trust from the Company to the American Exchange Irving Trust Company (hereinafter, with its successors in the trusts, called the Trustee) as Trustee, dated as of June 1, 1927, and is attached to a First Mortgage 6% Sinking Fund Gold Bond Series A of the Company issued under said Indenture, and reference is hereby made to said Article XIII for a more complete statement of the rights of the holder of this warrant and the terms and conditions applicable to the exercise thereof, to all of the provisions of which the holder hereof assents by the acceptance hereof.

The rights of the holder hereof are subject to modification and adjustment in the event of consolidation or merger of the Company with, or the conveyance of substantially all of its property as an entirety to, any other corporation, as provided in said Article XIII of the Indenture.

As provided in said Indenture, in the event that on or prior to June 1, 1932, and while this warrant remains attached to said bond and unexercised, said bond shall be called for redemption in accordance with the provisions thereof, the holder hereof shall be entitled to receive, upon surrender of this warrant attached to said bond at the office of the Trustee, a detached warrant issued in the name of the holder hereof, transferable only on the books of the Company by the holder thereof in person or by duly authorized attorney upon surrender thereof properly endorsed, with substantially the same terms as this warrant and in lieu hereof as provided in said Indenture.

If this warrant shall be surrendered for exchange during the period of ten (10) days prior to the date of any meeting of stockholders, the delivery of said shares of common stock of the Company to the holder hereof may be postponed until the day after the date of such meeting, but any such postponement shall be without prejudice to the rights of the holder hereof to surrender this warrant and make payment as above provided at any time on or prior to June 1, 1932, and to receive on the day after the date of such meeting, or whenever said exchange for shares shall have been effected, the number of shares of common stock of the Company hereinabove provided.

The rights represented by this warrant shall pass and be transferred by delivery of this warrant, and of said bond to which this warrant is attached, if said bond be not registered as to principal in accordance with the terms thereof, or by transfer of said bond in the manner therein provided, if said bond be thus registered, but not otherwise; and the delivery of this warrant as aforesaid, so long as said bond shall not be registered as to principal, shall pass title hereto to the transferee to the same extent for all intents and purposes as in the case of the delivery under similar circumstances of a negotiable instrument payable to bearer.

The Company, the Trustee, and their agents may treat the bearer of said bond, if said bond be not thus registered, or the registered owner of said bond, if said bond be thus registered, as the absolute owner of this warrant for all purposes, and shall not be affected by any notice to the contrary. This warrant shall be void if detached from the First Mortgage 6% Sinking Fund Gold Bond Series A bearing the same serial number as this warrant, and shall in any event be void after June 1, 1932. Every successive bearer and owner of this warrant by accepting or holding the same consents and agrees to the foregoing provisions and each invites the others, and all persons, to rely thereon.

This warrant shall in any event be wholly void and of no effect after June 1, 1932.

In witness whereof, Carolina-Georgia Service Company has caused this instrument to be signed in its name and its corporate seal to be hereunto affixed by its officers thereunto duly authorized, as of the first day of June, 1927.

CAROLINA-GEORGIA SERVICE COMPANY
By Vice-President.

Attest: Assistant Secretary.

(Form of Detached Stock Purchase Warrant)

No. Shares

UNITED STATES OF AMERICA
State of Delaware
CAROLINA-GEORGIA SERVICE COMPANY
Detached
Stock Purchase Warrant
Right to subscribe to shares common stock

Carolina-Georgia Service Company, a Delaware corporation (hereinafter with its successors and assigns as defined in the Indenture mentioned below generally called the "Company"), for value received hereby promises to issue and to deliver to the bearer of this warrant and of the First Mortgage 6% Sinking Fund Gold Bond Series A of the Company bearing the same serial number as this warrant, or, if said bond shall be registered, to the registered owner thereof (such bearer or registered owner being hereinafter referred to as the "holder hereof"), subject to the conditions hereinafter referred to, and upon presentation and surrender on or prior to June 1, 1932, of this warrant, with the subscription form on the reverse hereof duly executed, for cancellation, and upon payment to the company of the sum hereinafter mentioned:

If such purchase be made:

- (a) On or before June 1, 1929, the sum of Dollars (\$) ;
 - (b) After June 1, 1929, and on or before June 1, 1932, the sum of Dollars (\$) ;
- at the Columbia office of the American Exchange Irving Trust Company, or at the principal office of its successor in the trusts created by said In-