

SAML BODENHORN STATIONERY CO KANSAS CITY MO 64114

C. N. Pike, H. W. Caldwell and Jane Caldwell, of Troup County, Georgia,  
T. W. Sewell, W. R. Bohannon, R. J. Stewart, A. A. Gassett, and R. D. Holton, all of Coweta County,  
Georgia,  
Citizens Ice & Coal Company, a Georgia corporation,  
West Point Investment Company, a Georgia corporation,  
Empire Mills Company, a Georgia corporation,  
C. B. Romberg,  
Lula Mae Romberg,  
C. J. Romberg,  
M. C. Pierce,  
Una Pierce,

Sec. 1.13. The term "cost" as applied to any unit of fixed property of the Company or a subsidiary means:

(a) In the case of property additions the actual cost thereof in cash or indebtedness incurred or assumed (except as otherwise provided in paragraph (d) of this Section);

(b) In the case of fixed property owned on January 1, 1929, by any predecessor in title named in Sec. 1.12, the amount at which such property was first charged to the fixed capital accounts of the Company, after deducting applicable reserves for depreciation, renewals and replacements;

(c) In the case of fixed property owned by a subsidiary on the date as of which it is established as such, the actual cost thereof to such subsidiary in cash or indebtedness incurred or assumed, after deducting applicable reserves as of said date for depreciation, renewals and replacements; but, if such actual cost is not ascertainable, the term "cost" shall be in such case mean the amount at which such property is carried in the fixed capital accounts of such subsidiary as of such date, after deducting applicable reserves as aforesaid; except, in either case, as otherwise provided in paragraph (d) of this Section;

(d) If property of any corporation (other than a subsidiary), any of whose stock shall be acquired by the Company, which property but for the fact that such corporation is not a subsidiary would be fixed property as herein defined, shall be transferred to the Company or to a subsidiary or to a company which shall thereafter qualify as a subsidiary, the cost of such property shall be deemed to be the actual cost thereof to the transferee in cash or indebtedness incurred or assumed (or if such actual cost is not ascertainable, the amount at which such property is first charged to the fixed capital accounts of the transferee) to an amount not exceeding the proportion of the sum of

(1) the actual cost per share to the Company in cash or indebtedness incurred or assumed of the shares of each class of stock of such corporation acquired by the Company, multiplied respectively by the total number of shares of each such class outstanding at the date of such acquisition, and

(2) the principal amount of all indebtedness of such corporation then outstanding in excess of the current assets of such corporation,  
which the fair value of such property is of the fair value of the total assets (tangible and intangible) of such corporation at the date of such transfer.

Cost shall include fees and commissions of field agents, auditors, engineers, attorneys and appraisers and other like expenses incurred in respect of the acquisition of property additions. In cases in which property only a part of which constitutes property additions is acquired for a consideration not divided between such two parts, the Company or subsidiary may allocate the cost thereof in any reasonable manner and the cost so allocated to property additions shall be deemed to be the cost of such property additions for the purposes of this Indenture. In case property additions are acquired for a consideration in whole or in part other than cash and/or the incurring or assumption of indebtedness, their cost shall be deemed to be the fair value of such other consideration as determined by the Board of Directors of the Company or subsidiary, as the case may be, plus any such cash or indebtedness constituting part of such consideration. In computing cost the Company or subsidiary may include interest, taxes and other overhead charges during construction to the extent properly chargeable to fixed capital accounts under recognized accounting practices applicable to the Company or subsidiary, but shall not include discounts or expenses in connection with the issue or sale of bonds or other obligations or capital stock, except that it may include that proportion of any discount on bonds or other obligations issued to provide funds for construction purposes which is applicable to the construction period and may properly be charged to the account of interest during construction under such accounting practices.

Sec. 1.14. The term "fair value" as applied to fixed property acquired before January 1, 1929, by the Company or by any predecessor in title named in Sec. 1.12, means the fair value as of January 1, 1929, and as applied to fixed property acquired by the Company after December 31, 1928, (other than fixed property owned on said date by any of said predecessors in title) means the fair value as of the date when such fixed property shall have first become properly chargeable to the capital accounts of the Company, and as applied to fixed property of any subsidiary means the fair value at any date not more than six months prior to the date as of which such subsidiary shall be established as a subsidiary, in respect of fixed property then owned by it, and in respect of fixed property thereafter acquired by it means the fair value as of the date when such fixed property shall first become properly chargeable to the capital accounts of such subsidiary, unless in any case some other date is specified in any provision hereof as of which fair value of any such property is to be determined, in which event fair value shall be determined as of such other date; and in the case of any other property means the fair value thereof on the date as of which such fair value is to be determined or stated under the provisions of this Indenture. The person or persons required to determine or certify to the fair value of any property shall not be limited to any one particular method of estimating value but may give due consideration, among other things, to the original cost and the estimated reproduction cost of such property less depreciation, as well as to any other facts or bases of value which such person or persons may deem relevant; but fair value of fixed property shall not include any allowance for "going concern" value or good will or other intangible items or for working capital. Fair value shall be determined as if the property were free of any liens or encumbrances securing indebtedness but after making due allowance for the effect of any easements, servitudes, conditions or restrictions to which the property is subject.

Sec. 1.15 The term "Banker" means A. B. Leach & Co., Inc., a New York corporation, and any successor or successors to it acquiring the business of such corporation in the City of Chicago, Illinois. If at any time the Banker shall retire from or cease to do business leaving no successor or successors to its Chicago business, all rights, powers and privileges conferred upon it by this Indenture and all obligations of the Company to it hereunder shall thereupon lapse and terminate and all powers or privileges herein conferred upon the Banker shall thereafter be vested in the Corporate Trustee. Neither A. B. Leach & Co., Inc., or any successor to it shall have any responsibility to the Company or to the holders of any of the Bonds or to the Trustees arising from the Banker's doing or not doing any act or making or not making of any selection, or giving or not giving any approval which under the provisions hereof the Banker is authorized or permitted to do, make or give.

Sec. 1.16 The term "current assets" means and includes cash, readily marketable securities, good and collectible accounts due from customers and unmatured bills and notes receivable due in not more than twelve months from their respective dates, inventories of materials and supplies on hand for use in the operation of the plants and systems of the Company or its subsidiaries, and stocks of appliances and merchandise held for sale in merchantable condition, and other items generally regarded as current or quick assets according to recognized accounting practices. In valuing current assets, inventories of materials and supplies and stocks of appliances and merchandise held for sale and securities shall