

(e) Three thousand (3,000) shares of preferred stock of The Parr Shoals Power Company, a South Carolina corporation, being all of such stock outstanding, or in lieu of any of such shares that may not be deposited at the time of the execution hereof the sum of One hundred (100) Dollars for each share not so deposited.

To Have and to Hold the said property, together with the rents, issues and profits thereof, hereby or hereafter mortgaged and pledged to the Trustee, its successors and assigns, forever.

In Trust, Nevertheless, for the equal pro rata use, benefit and security of all the present and future holders of the bonds hereby secured and the coupons appertaining thereto, and for the enforcement of the payment of said bonds and interest coupons when payable, according to their tenor, purport and effect, and to secure the performance and observance of and compliance with the conditions and covenants of this Mortgage, without preference, priority or distinction as to lien or otherwise of one bond over any other bond, by reason of priority in the issue, sale or negotiation thereof, or otherwise, it being intended that the lien and security of this Mortgage shall take effect from the date of the execution and delivery thereof without regard to the time of the actual issue, sale or negotiation of the bonds and coupons and as though all of the bonds had been actually issued, sold, negotiated and delivered to and were in the hands of the holders thereof for value simultaneously with the execution and delivery hereof.

And it is hereby expressly covenanted and agreed by and between the parties hereto that all the bonds are to be issued and received, and that the Trust Estate is to be held by the Trustee with the following powers and authority and upon and subject to the following trusts, uses, terms, conditions and covenants.

ARTICLE FIRST.

Form, Execution and Exchange of Bonds.

Section 1. *Description of Bonds.*

The bonds to be issued hereunder, the interest coupons to be annexed thereto, and the certificate of authentication of the Trustee to be endorsed thereon, shall be substantially in the form above recited and the bonds shall be called Ten Year $6\frac{1}{2}\%$ Secured Sinking Fund Gold Bonds.

Section 2. *Execution of Bonds.*

All the bonds issued hereunder shall be executed on behalf of the Company by its President or a Vice-President under its corporate seal, attested by its Secretary or an Assistant Secretary. In case any of the officers who shall have signed and sealed any of the bonds or attested the seal thereon shall cease to be such officers of the Company before the bonds so signed or sealed shall have been actually authenticated and delivered, such bonds nevertheless may be authenticated, delivered and issued with the same force and effect as though the person or persons who signed and sealed such bonds had not ceased to be such officer or officers of the Company; and also any such bonds may be signed and sealed on behalf of the Company by such persons as at the actual time of the execution thereof shall be the proper officers of the Company although at the date of such bonds any such person shall not have been an officer of the Company. Only such bonds as shall have endorsed thereon the certificate of authentication of the Trustee shall be valid or become obligatory for any purpose or be secured by this Mortgage and such authentication shall be conclusive evidence that the bonds so authenticated have been duly issued hereunder and are secured hereby.

The coupons to be attached to such bonds shall be authenticated by the facsimile signature of the present or of any future Treasurer of the Company, and the Company may adopt and use for that purpose the facsimile signature of any person who shall have been such Treasurer, notwithstanding the fact that he may have ceased to be such Treasurer at the time when such bonds shall actually be authenticated, delivered or issued.

Section 3. *The Definite Bonds.*

The definite bonds to be issued hereunder shall be engraved or lithographed on steel engraved tints.

Section 4. *The Temporary Bonds.*

Pending the delivery of the definite bonds, the Company may execute, and the Trustee shall authenticate and deliver, in lieu of a like principal amount of definite bonds, temporary bonds with or without coupons, substantially of the tenor of the bonds in lieu of which they are issued, and such temporary bonds may be in the denomination of One hundred (100) Dollars or any multiple thereof, as the Company may determine. Each of such temporary bonds shall bear upon its face the word "Temporary," and shall be exchangeable, without expense to the holder, for a like principal amount of the definite bonds when they shall be ready for delivery, or for a like principal amount of other temporary bonds of other denominations. Upon any such exchange of temporary bonds for definite bonds, or temporary bonds for other temporary bonds, the temporary bonds surrendered for exchange shall forthwith be cancelled by the Trustee and cremated and a certificate thereof issued to the Company. Until exchanged as aforesaid, temporary bonds so authenticated shall in all respects be entitled to the security of this Mortgage as bonds issued and authenticated hereunder, and interest when and as payable according to the terms of said temporary bonds, in case such temporary bonds are issued without coupons, shall be paid to the holder of any such bonds on presentation thereof for the endorsement of such payment thereon and, in case such temporary bonds are issued with coupons annexed, upon surrender of such coupons as they severally become due.

Section 5. *Mutilated, Lost, Stolen or Destroyed Bonds.*

In case any bond, or the coupons thereto appertaining, shall become mutilated or defaced or be lost, stolen or destroyed, then on the terms herein set forth the Company shall issue, and the Trustee shall authenticate and deliver, a new bond of like denomination and tenor as the one mutilated, defaced, lost, stolen or destroyed in exchange and substitution for and upon cancellation of the mutilated or defaced bond and coupons, or in lieu of and substitution for the same if lost, stolen or destroyed; or if any such bond or coupon shall have matured, instead of issuing a substituted bond or coupon the Company may pay the same without its being surrendered. The applicant for such payment or substitution shall furnish to the Company and the Trustee evidence satisfactory to both of them in their discretion of the loss, theft or destruction of such bond and coupon alleged to have been lost, stolen or destroyed, and the ownership and authenticity of such mutilated, defaced, lost, stolen or destroyed bonds, and also indemnity in a sum deemed by the Company and the Trustee sufficient to cover all possible risk, however remote, having as surety thereon a qualified surety company of high standing satisfactory to the Company and the Trustee in their discretion, and conditioned against all possible loss, damage, liability or expense. All bonds and coupons so surrendered to the Trustee shall be cancelled and, on demand, shall be delivered to the Company. The Trustee may authenticate and deliver such substituted bonds and coupons upon the written request of any officer of the Company, and shall incur no liability to anyone by reason of anything done or omitted to be done by it in good faith under the provisions of this Section. All bonds and coupons shall be held and owned upon the express condition that the foregoing provisions are exclusive in respect to the replacement or payment of mutilated, lost, stolen or destroyed bonds and coupons, and shall preclude any and all other rights or remedies, any law or statute now existing or hereafter enacted to the contrary notwithstanding respecting such replacement or the payment of bonds or coupons without their surrender. The applicant for any new bond, if required by the Company, shall pay all expenses of such substitution or exchange.

Section 6. *Exchange of Bonds for Other Bonds.*

Whenever any bond or bonds issued hereunder, together with all unmatured coupons thereto appertaining, shall be surrendered to the Trustee for exchange for a like principal amount of bonds of other denominations and, if registered as to principal, accompanied by a written instrument of transfer duly executed by the registered holder in such form and with such proof of execution as the Company and the Trustee may require, the Company shall execute, and the Trustee shall authenticate and deliver, in exchange therefor, a like aggregate principal amount of bonds of such other denominations as shall be designated, bearing all unmatured coupons.

Section 7. *Payment for Exchanges.*

For any exchange of bonds of one denomination for bonds of another denomination or denominations, the Company, at its option, may require the payment of a sum sufficient to reimburse it for any stamp tax or other governmental charge connected therewith, and also the further sum of not exceeding Two (2) Dollars for each new bond issued upon such transfer or exchange.

Section 8. *Cancellation of Bonds on Exchange.*

In every case of any exchange of bonds of one denomination for bonds of another denomination or denominations, the Trustee forthwith shall cancel the surrendered bonds and the coupons appertaining thereto, and shall deliver the same to or upon the written order of the Company, signed by its President or a Vice-President.