

Trustee shall authenticate, and it or the Company shall deliver in exchange therefor a like aggregate principal amount of coupon bonds of the same series of such other denominations as shall be designated, bearing all unmatured coupons.

Section 7. Transfer of Registered Bonds.

Whenever the registered holder of any registered bond or bonds without coupons shall surrender the same to the Company for transfer, together with a written instrument of transfer, in form approved by the Company, duly executed by such registered holder, the Company shall execute, and the Trustee shall authenticate, and it or the Company shall deliver in exchange therefor, in the name of the transferee, a new registered bond or bonds without coupons of the same series for the same aggregate principal amount, which shall have endorsed thereon the same number or numbers which were endorsed upon the registered bond or bonds without coupons so surrendered.

Section 8. Reservation of Coupon Bonds for Registered Bonds.

Whenever bonds shall be issued hereunder as registered bonds without coupons there shall be reserved by the Company, unissued, an aggregate principal amount of coupon bonds equal to the aggregate principal amount of the registered bonds without coupons so issued, and the numbers of such coupon bonds so reserved, together with an appropriate statement with respect to such reservations, shall be endorsed upon the issued registered bonds without coupons.

Section 9. Exchange of Registered Bonds for Coupon Bonds.

Whenever any registered bond or bonds without coupons together with a written instrument of transfer in form approved by the Company, duly executed by the registered holder, shall be surrendered to the Company for exchange for one or more coupon bonds of the same series, the Company shall execute, and the Trustee shall authenticate and it or the Company shall deliver in exchange therefor a like aggregate principal amount of coupon bonds of the same series as the surrendered bond or bonds, or such authorized denominations as shall be designated, bearing all unmatured coupons and each having one of the numbers respectively endorsed upon the registered bond or bonds without coupons so surrendered.

Section 10. Exchange of Coupon Bonds for Registered Bonds.

Whenever any coupon bond or bonds of any series providing for the issuance of registered bonds without coupons, together with all unmatured coupons thereto appertaining, shall be surrendered for exchange for registered bond or bonds, without coupons, the Company shall execute, and the Trustee shall authenticate, and it or the Company shall deliver in exchange therefor a registered bond or bonds without coupons of the same series for the same aggregate principal amount in such denominations as may be provided for that particular series, which shall have endorsed thereon the number or numbers borne by the coupon bond or bonds so surrendered for exchange.

Section 11. Cancellation of Bonds on Exchange.

In case of any such exchange or transfer the Trustee shall forthwith cancel the surrendered bonds and their interest coupons, if any, and shall deliver the same to the Company, upon its written request therefor.

Section 12. Right of Company to Treat Holder as Absolute Owner.

The Company and the Trustee may treat the bearer or the registered holder of any coupon bond hereby secured, and the bearer of any coupon, and the registered holder of any registered bond without coupons hereby secured, as the absolute owner of such bond or coupon for the purpose of receiving payment therefor and for all other purposes whatsoever, whether such bond or coupon be overdue or not, and neither the Company nor the Trustee shall be affected by any notice to the contrary.

Section 13. Payment for Exchanges.

For any exchange of coupon bonds for registered bonds, or of registered bonds for coupon bonds, and for any transfer of registered bonds, and for any exchange of bonds 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.

ARTICLE SECOND.

Issue of Bonds.

Section 1. Limitations and Provisions of Bonds.

The principal amount of bonds that may be issued hereunder is not limited except as in this Mortgage provided.

Series A bonds shall be dated the first day of September, one thousand nine hundred and twenty-four, except that registered bonds without coupons shall be dated as the interest payment date next preceding the date of issue, unless issued on an interest payment date, in which event they shall be dated as of the date of issue; shall be due on the first day of September, one thousand nine hundred and fifty-four; shall be payable as to principal in gold coin of the United States of America of the standard of weight and fineness as it existed on September 1, 1924, at the principal office of Guaranty Trust Company of New York, in the Borough of Manhattan, City of New York, State of New York, and as to interest in like gold coin at said office or, at the option of the holder, at Continental and Commercial Trust and Savings Bank, in the City of Chicago, State of Illinois; shall bear interest at the rate of five (5) per centum per annum, payable semi-annually on March 1 and September 1 in each year, and shall be redeemable, at the option of the Company, in whole or in part at any time, in the manner provided in Article Fourth hereof, as follows:

To and including December 31st, 1934, at One hundred and five (105) per centum of the principal amount thereof and accrued interest, and thereafter at said per centum of the principal amount thereof decreased one-quarter ($\frac{1}{4}$) of one (1) per centum for each calendar year or part thereof elapsed since December 31, 1934, plus accrued interest.

The coupon bonds of Series A shall be for the principal sum of One thousand (1,000) Dollars, Five hundred (500) Dollars and One hundred (100) Dollars each, and the registered bonds without coupons shall be for the principal sum of One thousand (1,000) Dollars and any multiple thereof as the Board of Directors of the Company shall determine.

Both the principal of and the interest upon the Series A bonds shall be payable without deduction therefrom, in so far as the same may not be prohibited by law, for any tax, assessment or other governmental charge which the Company or the Trustee hereunder may be required or permitted to pay thereon or to deduct or retain therefrom under any present or future law of the United States of America, or of any state, county, municipality or other taxing authority therein, other than inheritance or succession taxes, state income taxes or such portion of Federal income taxes with respect to interest derived from such Series A bonds as shall be in excess of two (2) per centum per annum.

The holders of Series A bonds shall have the right of reimbursement for certain taxes paid by such holders, as provided in Section 12 of Article Third hereof.

Section 2. Bonds to be Presently Issued.

Bonds of Series A of the aggregate principal amount of One hundred thousand (100,000) Dollars shall forthwith, upon the execution hereof and without awaiting the filing or recording hereof, be executed by the Company, authenticated by the Trustee, and delivered, upon the receipt of the proceeds thereof, exclusive of accrued interest, to or upon the written order of the President or a Vice-President of the Company without any further action on the part of the Company.

The Company shall deliver to the Trustee a certificate, signed by the President or a Vice-President and the Treasurer or an Assistant Treasurer of the Company, stating the amount of the proceeds, exclusive of accrued interest, of the sale of such bonds received or to be received by the Company, and the Trustee shall be fully protected in relying upon such statement.

Section 3. Disposition of Proceeds of Bonds to be Presently Issued.

The proceeds, exclusive of accrued interest, of the One hundred thousand (100,000) Dollars principal amount of bonds referred to in Section 2 preceding shall be paid over by the Trustee to the Company as follows: The proceeds of each One thousand (1,000) Dollars principal amount of bonds shall be paid to the Company for each Thirteen hundred and thirty-three Dollars and thirty-three and one-third cents (\$1333.33 $\frac{1}{3}$) of expenditures made or liabilities incurred subsequent to July 1, 1924, on account of the following:

(A) Construction of a new power station on Broad River, South Carolina, or the transmission or distribution system connected therewith,

(B) Additions, extensions, improvements and betterments to the property of the Company,