

gaged property hereinbefore described and acquired by the Company by virtue of the conveyance to it from the Wateree Power Company (a South Carolina corporation) as were at the effective date of such conveyance subject to the lien of said Indenture and as to any property thereafter acquired or constructed by the Company as accessions, additions, replacements and betterments to such properties; and

(3) To such liens as may exist upon properties (not herein specifically described) hereafter acquired by the Company and becoming subject to the lien hereof to the extent of the amounts of prior lien bonds respectively outstanding thereunder and secured thereby at the respective dates of such acquisition (which amount the Company shall not permit to exceed 75% of the cost or value thereof to it); but only as to the properties so acquired and actually subject to such respective prior liens at said dates of acquisition and as to any properties thereafter acquired or constructed by the Company as accessions, additions, replacements and betterments to such after acquired properties and required by the terms of such prior liens to be made subject thereto.

IN TRUST, NEVERTHELESS, for the equal *pro rata* benefit and security of all and every of the bonds and the coupons appertaining to the coupon bonds issued and to be issued hereunder and secured hereby in accordance with the provisions of this Indenture, without preference, priority or distinction as to lien of any bond over the others by reason of priority in time of the issue, sale or negotiation thereof or by reason of the purpose of its issue or otherwise howsoever, subject to the terms, conditions, provisions and agreements hereinafter expressed and declared.

IT IS HEREBY COVENANTED, DECLARED AND AGREED by the Company, that all such bonds and coupons are to be issued, authenticated and delivered, and that all the mortgaged property is to be held subject to the further covenants, conditions, uses and trusts hereinafter set forth, and the Company, for itself and its successors and assigns, doth hereby covenant and agree to and with the Trustee and its successors in said trust, for the benefit of those who shall hold said bonds and interest coupons, or any of them, as follows:

**ARTICLE 1.**

**Series, Form, Execution, Registration and Transfer of Bonds.**

§1.01. The bonds issued under and secured by this Indenture shall be designated as "First and Refunding Mortgage Gold Bonds" of the Company or by such other appropriate title, including said words, as the Board of Directors of the Company shall determine from time to time at or before the issue thereof; and there is now created a series of such bonds particularly designated as the "First and Refunding Mortgage Gold Bonds, 4 1/2% Series due 1967" of the Company, the terms of which series shall be as indicated in §1.24 and in the forms of bonds of such series hereinbefore set forth. The text of the bonds and of the coupons appertaining thereto and of the certificate of the Trustee shall be substantially of the tenor and purport above recited, with appropriate insertions, omissions, substitutions and variations in case of bonds of different denominations and different series, not inconsistent with the terms of this Indenture.

§1.02. This Indenture creates a continuing lien to secure the full and final payment of the principal of and interest on all the bonds which may, from time to time, be made, authenticated and delivered and issued hereunder. The aggregate amount of bonds which may be so made, authenticated and delivered and issued hereunder is not limited. All bonds issued under and in pursuance of this Indenture and at any time outstanding, and the coupons appertaining thereto, shall in all respects, subject to the provisions and qualifications in this Indenture contained, be equally and ratably secured hereby without preference, priority or distinction, on account of the actual time or times of the issue, sale or negotiation of said bonds or any of them, or on account of the purpose of such issue, so that all bonds at any time issued and outstanding hereunder shall have the same lien and preferences under and by virtue

of this Indenture, and shall all be equally secured hereby, subject to the provisions and qualifications in this Indenture contained, with like effect as if they had all been made, authenticated and delivered simultaneously on the date hereof, whether the same, or any of them, shall actually be sold or disposed of at some future date.

§1.03. The bonds issued hereunder may be coupon bonds (which may or may not be made registerable as to principal) or registered bonds without coupons and may be issued in series. All bonds of any one series shall be substantially identical, except for the appropriate differences between coupon and registered bonds and except that said bonds may be of different denominations, and as between bonds of different denominations there may be such appropriate differences, as may be determined by the Board of Directors of the Company at or before the creation of such series. The Board of Directors of the Company may, at the time of the creation of any series, or at any time thereafter, limit the aggregate principal amount of bonds which may be issued in such series and an appropriate insertion in respect of such limitation may, but need not, be made in the bonds of such series. The bonds of each series shall bear the appropriate designation of their respective series and shall be appropriately numbered in such manner as shall from time to time be determined by the Board of Directors of the Company, provided that no two bonds contemporaneously outstanding shall (except as permitted in §1.21) bear the same serial number and letter.

§1.04. The bonds of each series shall (a) be of such denomination or denominations, interchangeable as between denominations or not so interchangeable, as shall be determined by the Board of Directors of the Company at the time such series is created; (b) bear a date to be fixed by the Board of Directors of the Company at the time such series is created (subject to the provisions of §1.18) and, in the case of coupon bonds, shall bear interest from such date; (c) be payable on such date or dates as, at the time such series is created, shall be fixed by the Board of Directors of the Company and expressed in such bonds; and (d) bear interest at such rate payable on such days in each year as, at the time of the creation of such series, shall be fixed by the Board of Directors of the Company and expressed in said bonds.

§1.05. All bonds shall be payable as to principal and interest at such place or places within the United States of America as may be determined by the Board of Directors of the Company and expressed in the bonds, and shall be payable as to principal and interest in gold coin of the United States of America of or equal to the standard of weight and fineness existing on the date borne by the coupon bonds of the series of which they shall be part; but the principal of and/or interest on the bonds of any series may also be made payable, at the holders' option, in any foreign country or countries, and the principal and/or interest of any bonds payable in foreign countries may also be payable, at the holder's option, in one or more foreign moneys or currencies at fixed rates of exchange or at reasonable equivalents of such United States gold coin; provided, however, that, in the case of any bonds payable at the holder's option in foreign money or currency, then for the purpose of ascertaining the amount of such bonds to which the Company shall be entitled from time to time and in the aggregate to have authenticated and delivered or to issue, or to redeem or purchase under the provisions of this Indenture, or whenever it may be necessary to compute the amount of bonds outstanding hereunder, or in case of any distribution to bondholders pursuant hereto, the amount of United States gold coin in which such bonds are payable shall govern.

§1.06. The Company may provide in the creation thereof (a) that the bonds of any series may be redeemed before maturity at a specified price or prices as hereinafter provided in Article 3 and may further provide that said bonds shall be entitled to the benefit of a sinking fund or funds or improvement fund or funds and may be called for purchase for any such sinking fund or improvement fund; (b) that the