

and appurtenances constituting part of the real property of the Company.

The lien of this Supplemental Mortgage upon the property hereinbefore described, or parts thereof, is subject to the respective liens, to the extent, if any, that the same attach thereto, of the mortgages or deeds of trust mentioned in said First and Refunding Mortgage, and in said Supplemental Mortgage dated October 2, 1914.

TO HAVE AND TO HOLD ALL AND SINGULAR the aforesaid premises and properties, and any and all other property of every kind and nature that by virtue of any provision hereof may hereafter become subject to this Supplemental Mortgage, to the Trustee, its successors and assigns, forever:

BUT IN TRUST, NEVERTHELESS, under and subject to the conditions in said First and Refunding Mortgage set forth, for the equal and proportionate benefit and security of all present and future holders of the bonds and interest obligations issued and to be issued under said First and Refunding Mortgage, and to secure the payment of such bonds and interest obligations when payable in accordance with the provisions of such bonds and interest obligations, and to secure the performance of the covenants and agreements of the Company in said First and Refunding Mortgage set forth, without preference, priority or distinction as to the lien or otherwise of any one bond over any other bond by reason of the priority in the issue, sale or negotiation thereof or by reason of the purpose of its issue or by reason of any other cause; and after payment of the principal and interest of such bonds and interest obligations, or after provision for the satisfaction thereof as in said First and Refunding Mortgage authorized, then upon the further trusts in said First and Refunding Mortgage set forth.

And it is hereby covenanted and agreed that all said Eight million (\$8,000,000) Dollars additional face amount of bonds and the coupons appertaining to the coupon bonds are to be issued, authenticated and delivered, and that all property subject or to become subject to the provisions of this Supplemental Mortgage is to be held, subject to the covenants, conditions, uses and trusts set forth in said First and Refunding Mortgage; and the Company for itself, its successors and assigns, does covenant and agree with the Trustee and with the respective holders from time to time of the bonds issued and to be issued under said First and Refunding Mortgage as follows, viz.:

ARTICLE ONE.

The total aggregate face amount of the First and Refunding Mortgage Five Per Cent. Thirty-Year Gold Bonds of the Company issued and to be presently issued and outstanding under, and secured by, said First and Refunding Mortgage, will be Eight million, four hundred eighty-seven thousand dollars (\$8,487,000) face amount of said First and Refunding Mortgage Five Per Cent. Thirty-Year Gold Bonds, dated July 1, 1913, due July 1, 1943, heretofore issued and now outstanding, and in addition thereto, Eight million dollars (\$8,000,000) face amount of said First and Refunding Mortgage Five Per Cent. Thirty-Year Gold Bonds, dated July 1, 1913, due July 1, 1943, presently to be issued and outstanding thereunder. All of said Sixteen million four hundred eighty-seven thousand dollars (\$16,487,000) face amount of bonds and the coupons to be attached to the coupon bonds, and the Trustee's certificate of authentication to be endorsed thereon, are to be in substantially the forms set forth in said First and Refunding Mortgage. Additional bonds up to an aggregate amount not exceeding Thirty million dollars (\$30,000,000) face value, may from time to time be issued pursuant to the terms of said First and Refunding Mortgage.

ARTICLE TWO.

SECTION 1. The Company hereby agrees to refund to the holder of any of said Eight million dollars (\$8,000,000) face amount of additional bonds presently to be issued under said First and Refunding Mortgage, which are to bear Nos. 8488 to 16487, inclusive, if and when issued in engraved coupon form, or of any registered bond which may be issued in lieu of coupon bonds bearing any such numbers, or of any of

the temporary printed bonds which are to be issued in the first instance in lieu of certain of said engraved bonds and which are to bear Nos. TM2201 and upwards, all taxes paid by such holder (except income, succession or inheritance taxes) assessed by the State of Pennsylvania or by any duly authorized political subdivision thereof upon such bond or bonds bearing such number or numbers or any thereof, or upon such registered bond or bonds issued in lieu of coupon bonds bearing such numbers, or upon the holder thereof as a resident of said state by reason of his ownership thereof up to, but not exceeding, in the aggregate four mills per annum on each dollar of the principal amount thereof; provided that written application for such refund shall be made to the Company therefor at its office or agency in the Borough of Manhattan, City and State of New York, within a period of sixty days next after payment of such tax by such holder; and provided further that the Company shall not have theretofore paid to the State of Pennsylvania or to any political subdivision thereof the amount of such tax applicable to such bond or bonds held by the holder making such application. Such application shall be duly verified or affirmed and shall state the serial numbers of said bonds, the fact of ownership, that such taxes were assessed upon and paid by the holder as a resident of said state because of the ownership of said bonds, the date of the payment of such tax and the residence of the holder at the time the tax was assessed. In no event shall the Company be liable to make reimbursement for any penalty or interest on such taxes or for any such payment upon, or with respect to, any other bonds.

SECTION 2. No amounts that shall become due to holders of bonds issued under said First and Refunding Mortgage on account of the covenant of the Company contained in Section 1 of this Article Two of this Supplemental Mortgage shall be secured by, or entitled in any way to the security of, the lien of the said First and Refunding Mortgage dated July 1, 1913, or of any Supplemental Mortgage executed pursuant to the provisions thereof, and any breach by the Company of its covenants contained in Section 1 of this Article Two of this Supplemental Mortgage shall not constitute a default under said First and Refunding Mortgage nor give rise to a cause of action on the part of the Trustee, but shall solely give rise to a cause of action by the holder of the bond against the Company. And it is further covenanted and agreed that the Trustee joins herein in respect to the provisions of Section 1 of this Article Two of this Supplemental Mortgage for the sole purpose of evidencing its assent, so far as such assent may be necessary or desirable, to the assumption by the Company of such obligation as may be assumed by it under the provisions of said Section 1 to the holders of certain First and Refunding Mortgage Bonds, and that the Trustee assumes no responsibility in any event for the performance of any of the undertakings of the Company as set forth in said Section 1, nor for any default by the Company under or pursuant to the provisions of said Section. No bond shall be entitled to the benefit of said Section 1 unless it shall bear an endorsement substantially in the following form, viz.:

"Subject to the limitations prescribed in the Supplemental Indenture dated June 25, 1929, from Southern Public Utilities Company (hereinafter called the Company) to The Farmers' Loan and Trust Company, Trustee, the Company hereby agrees to refund to the holder hereof all taxes paid by such holder (except income, succession or inheritance taxes) assessed by the State of Pennsylvania or by any duly authorized political subdivision thereof upon this bond or upon the holder hereof as a resident of said state by reason of his ownership of this bond up to but not exceeding in the aggregate four mills per annum on each dollar of the principal amount hereof, provided application for such refund, as provided in said Supplemental Indenture, shall be made to the Company therefor, at its office or agency in the Borough of Manhattan, City and State of New York, within a period of sixty days next after the payment of such tax by such holder.

SOUTHERN PUBLIC UTILITIES COMPANY,

By.....

President
Secretary."