

hereinafter recited; and

WHEREAS, it is the intention of the Mortgagor and the Mortgagee that the lien created by the Mortgage as security for the First Bond and otherwise as therein provided, shall be preserved and that, while preserving the lien and security thereby created, the Mortgage shall be amended, extended and supplemented by this Indenture (the Mortgage as amended, extended and supplemented being hereinafter sometimes called the "Amended Mortgage"), so that together the Mortgage and this Indenture shall constitute in law but one first Mortgage upon the property hereinafter described, securing the First Bond, the Second Bond and the Third Bond (hereinafter sometimes collectively called the "outstanding Bonds"), evidencing an indebtedness amounting in the aggregate to the principal sum of eight hundred eighty-two thousand three hundred twenty-eight dollars (\$882,328), as well as all additional bonds (hereinafter called the "additional bonds") the aggregate principal amount of which, together with the aggregate principal amount of the outstanding Bonds shall not at any time exceed three million dollars (\$3,000,000), which may from time to time be executed and delivered by the Mortgagor substantially in the form of the Second Bond hereinafter set out, with such insertions, variations, and omissions therein as may be appropriate, and all bonds which may be executed and delivered in renewal of or in substitution for the outstanding Bonds or any of the additional bonds, when and if executed and delivered (the outstanding Bonds, the additional bonds and the renewal and substituted bonds being hereinafter sometimes collectively called the "bonds"), equally and ratably and without preference, priority, or distinction of any one bond over any other bond and irrespective of the dates of the execution and delivery of the respective bonds; and

WHEREAS, the Mortgagor and the Mortgagee further desire to provide that whenever the terms and provisions of the Mortgage in any way conflict with the terms and provisions of this Indenture, the terms and provisions of this Indenture shall supersede and supplant the covenants, stipulations and provisions of the Mortgage in so far as the same shall be in conflict herewith; and

WHEREAS, the Second Bond is in the following form;

(FORM OF SECOND BOND)

STATE OF SOUTH CAROLINA

STATE RURAL ELECTRIFICATION AUTHORITY

FIRST MORTGAGE 2.88% Bond

Columbia, South Carolina

November 15, 1937

STATE RURAL ELECTRIFICATION AUTHORITY (hereinafter called "Authority"), a public corporation organized and existing under and by virtue of the State Rural Electrification Authority Act enacted by the General Assembly of the State of South Carolina, for value received, promises to pay to the order of the UNITED STATES OF AMERICA at the United States Treasury, Washington D. C., the sum of two hundred sixty-five thousand dollars (\$265,000) with interest^{thereon} at the rate of 2.88 per centum per annum, at the times and in the manner hereinafter provided.

Interest which shall accrue on this Bond to and including May 15, 1940 (hereinafter called the "accrue interest"), shall become due and payable as hereinafter provided. Thereafter interest (hereinafter called "current interest") at the above rate on the outstanding and unpaid principal of this Bond and on the accrued interest shall become due and payable semi-annually on the 15th day of May and the 15th day of November in each year. Commencing with November 15, 1940, there shall also become due and payable on each interest payment date an amount which, with current interest payable on such date, shall equal \$37.404 per one thousand dollars (\$1,000) of the sum of the accrued interest and the principal amount of this Bond outstanding and unpaid on May 15, 1940. Each such payment, except such amount thereof as shall be required to pay current interest, shall be applied to the payment of or on account of the accrued interest until the accrued interest shall be fully paid and thereafter shall be applied to the payment of or on account of the principal of this Bond. Twenty (20) years after the date of this Bond the balance of the unpaid principal of this Bond, if any, shall become due and payable.

The Authority on any payment date, as hereinabove provided, may pay all or any part of the principal amount hereof then remaining unpaid, but so long as any of the principal amount hereof shall remain unpaid, the Authority shall be obligated to make the semi-annual payments in the amount hereinabove provided.

This Bond is issued to provide funds for the construction of certain rural electric transmission or distribution lines in various counties of the State of South Carolina, pursuant to a Resolution of the Board of Directors of the Authority duly adopted on November 10, 1937 in conformity with the provisions of the State Rural Electrification Authority Act of South Carolina. Such lines are in addition to those authorized pursuant to a Resolution of the Board of Directors of the Authority adopted on October 31, 1935, and to a further Resolution adopted by said Board on February 4, 1936. The funds provided by this Bond shall also be available for expenses incurred in connection with the operation of all such electric transmission and distribution lines. This Bond is issued pursuant to and in accordance with the provisions of said State Rural Electrification Authority Act of South Carolina and this recital was duly