

extending the Mortgage and confirming the Mortgage as security for the Second Bond and the Third Bond (the Mortgage, amended, supplemented and extended as aforesaid being hereinafter sometimes called the "Amended Mortgage"), and the Indenture has been duly recorded and filed as a mortgage of real and personal property in all the appropriate counties in the State of South Carolina; and

WHEREAS, THE Government on November 16, 1937, duly assigned the First Bond, the Second Bond, the Third Bond, the Mortgage and the Indenture to Reconstruction Finance Corporation and said assignment has been duly recorded and filed in all of the county officers in which the Mortgage and Indenture have been recorded; and

WHEREAS, the Mortgagor and the Government have entered into another certain loan contract (hereinafter called the "Fourth Loan Contract"), dated as of July 9, 1938, with respect to the terms and conditions of an additional mortgage to the Mortgagor by the Government, pursuant to the Rural Electrification Act of 1936, in the amount of two hundred twenty-eight thousand dollars (\$228,000) with which to construct the lines for the transmission and distribution of electric energy in rural areas more particularly described therein; and

WHEREAS, the Mortgagor has contemporaneously with this Supplemental Mortgage duly authorized and executed and has delivered to the Government, pursuant to the Fourth Loan Contract and to a certain resolution (hereinafter called the "Third Resolution") duly adopted by its Board of Directors on July , 1938, its first mortgage 2.73% bond (hereinafter called the "Fourth Bond", and the First Bond, the Second Bond, the Third Bond and the Fourth Bond being hereinafter sometimes called the "outstanding Bonds", and the outstanding Bonds and additional, renewal and substituted bonds which may from time to time be executed and delivered by the Mortgagor under and pursuant to the Amended Mortgage being hereinafter sometimes collectively called the "bonds"), dated July 20, 1938, in the principal amount of two hundred twenty-eight thousand dollars (\$228,000), payable as to interest and principal and instalments over a period of twenty-five (25) years from its date in the form of Fourth Bond hereinafter recited, and the Fourth Bond is intended to be secured by the Amended Mortgage as one of the additional bonds permitted to be executed and delivered pursuant thereto and intended to be further secured by the pledged contained in the First Resolution, the Second Resolution and the Third Resolution; and

WHEREAS, the Fourth Bond is in the following form:

(FORM OF FOURTH BOND)

STATE OF SOUTH CAROLINA

STATE RURAL ELECTRIFICATION AUTHORITY

FIRST MORTGAGE 2.73% BOND

Columbia, South Carolina

July 20, 1938.

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 UNITED STATES OF AMERICA, at the United States Treasury, Washington, D. C., the sum of two hundred twenty-eight thousand dollars (\$228,000) with interest thereon at the rate of 2.73 per centum annum, at the times and in the manner hereinafter provided.

Interest accruing hereon to January 20, 1941, (hereinafter called the "accumulate interest") shall be payable as hereinafter provided and shall, from and after such date, bear interest at the above rate, From such date to July 20, 1942, interest accruing on the accumulated interest and on the principal hereof shall be payable semi-annually on January 20th, and July 20th in each year. Thereafter, payments shall be made by the Corporation semi-annually on January 20th and July 20th in each year within the several periods and at the several rates hereinafter specified, calculated in each case upon the sum of the accumulated interest and the principal amount of this Bond unpaid forty-eight (48) months after the date hereof, to wit:

from $4\frac{1}{2}$ years to 5 years after the date hereof at the rate of \$18.00 per \$1,000;

from $5\frac{1}{2}$ years to 6 years after the date hereof at the rate of \$24.00 per \$1,000;

from $6\frac{1}{2}$ years to 7 years after the date hereof at the rate of \$30.00 per \$1,000;

from $7\frac{1}{2}$ years to 25 years after the date hereof at the rate of \$33.00 per \$1,000.

Each such payment shall be applied first to the payment of current interest on the accumulated interest, if any, and on the principal hereof, then to the payment on account of the accumulated interest until the accumulated interest shall be fully paid, and then to the payment on account of the principal hereof. Twenty-five (25) years after the date hereof the principal hereof remaining unpaid, 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-annually 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