

supplementing the Mortgage as heretofore amended, supplemented and extended by the Indenture and as further amended and supplemented by the First Supplemental Mortgage and confirming the Mortgage, amended, supplemented and extended as aforesaid, as security for the Fifth Bond equally and ratably with the First Bond, the Second Bond, the Third Bond and the Fourth Bond, and the Second Supplemental Mortgage has been duly recorded and filed as a mortgage of real and personal property in all appropriate counties of the State of South Carolina; and

WHEREAS, the Mortgagor has also duly authorized and executed and has delivered to the Government, its first mortgage 2.73% bond (hereinafter called the "Sixth Bond"), dated February 10, 1939, in the principal amount of two hundred forty-seven thousand dollars (\$247,000) payable as to interest and principal in semi-annual installments calculated to pay and discharge the indebtedness evidenced thereby within twenty-five (25) years after the date thereof; and

WHEREAS, the Mortgagor has duly authorized and executed and has delivered to the Government and Reconstruction Finance Corporation, a certain supplemental mortgage (hereinafter called the "Third Supplemental Mortgage", and the Mortgage as amended, supplemented and extending by the Indenture and further amended and supplemented by the First Supplemental Mortgage, the Second Supplemental Mortgage and the Third Supplemental Mortgage being hereinafter sometimes called the "Amended Mortgage"), dated as of even date with the Sixth Bond, amending and supplementing the Mortgage as heretofore amended, supplemented and extended by the Indenture and as further amended and supplemented by the First Supplemental Mortgage and the Second Supplemental Mortgage and confirming the Mortgage, amended, supplemented and extended as aforesaid, as security for the Sixth Bond equally and ratably with the First Bond, the Second Bond, the Third Bond, the Fourth Bond and the Fifth Bond; and

WHEREAS all of the above described bonds evidence loans made by the Government to the Mortgagor pursuant to loan contracts duly entered into between the Government and the Mortgagor, and the Mortgagor and the Government have entered into another certain loan contract, dated as of May 9, 1939 (hereinafter called the "Loan Contract of May 9, 1939"), with respect to the terms and conditions of an additional loan to the Mortgagor by the Government, pursuant to the Rural Electrification Act of 1936, as amended, in the amount of five hundred ninety-eight thousand dollars (\$598,000) 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 Loan Contract of May 9, 1939, and resolutions duly adopted by its board of directors, its additional first mortgage bond (hereinafter called the "Seventh Bond"), which is dated of even date herewith, is payable to the order of the Government, in the principal amount of five hundred ninety-eight thousand dollars (\$598,000), bears interest at the rate of 2.73 per centum per annum, and provides for the accumulation of the interest accruing on the principal thereof until November 10, 1941 (hereinafter called the "accumulated interest"), and provides further that thereafter and up to and including May 10, 1943, interest on the unpaid accumulated interest and on the unpaid principal thereof shall become due and payable semi-annually on May 10 and November 10 in each year, and provides for semi-annual payments thereafter on November 10 and May 10 in each year, commencing with November 10, 1943, to be applied first to the payment of current interest on the accumulated interest and current interest on the principal thereof, then on account of the accumulated interest and, after the payment thereof in full, to the payment on account of the principal thereof, which payments will be in amounts calculated to be sufficient to pay and discharge the principal of the Seventh Bond within twenty-five (25) years after the date thereof, at which time the unpaid principal of the Seventh Bond, if any, shall become due and payable (the First Bond, the Second Bond, the Third Bond, the Fourth Bond, the Fifth Bond, the Sixth Bond and the Seventh Bond being hereinafter sometimes called the "Outstanding Bonds", and Outstanding Bonds and additional, renewal and substituted bonds which may from time to time be executed and delivered by the Mortgagor under and pursuant of the Amended Mortgage being hereinafter sometimes collectively called the "bonds");

AND WHEREAS, all necessary acts, things, and conditions prescribed by law have been duly performed, done, and complied with, and the Mortgagor has executed the Outstanding Bonds and the Amended Mortgage and this Supplemental Mortgage in the exercise of legal powers in it vested, and all acts, things and conditions necessary to make the Outstanding Bonds the valid and binding obligations of the Mortgagor and to make the Amended Mortgage as supplemented by this Supplemental Mortgage a valid and binding first mortgage equally and ratably securing the payment of the principal of and the interest on the Outstanding Bonds and all additional bonds, limited as aforesaid, 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, without, preference priority, or distinction of any one bond over any other bond, and irrespective of the date of the execution and delivery of the respective bonds and also securing the due performance of the covenants, agreements and provisions expressed and declared in the Amended Mortgage and this Supplemental Mortgage, have been duly performed, done, and complied with;