

## MORTGAGE OF REAL ESTATE

substituted, or renewal note from time to time executed and delivered. The Trustee, its agents, or counsel shall not otherwise be entitled to compensation hereunder, except for active services rendered in connection with the exercise of rights or the enforcement of remedies hereunder, and in such instances the Trustee and its agents and counsel shall be entitled to reasonable compensation and expenses; provided, however, that the compensation of the Trustee and its agents for services rendered pursuant to subsections (b) and (c) of section 2 of article III of this Indenture shall in no event exceed one-quarter (1/4) of one per centum (1%) of the first one hundred thousand dollars (\$100,000) of the aggregate unpaid principal amount of the notes outstanding at the time of the rendition of such services and one-eighth (1/8) of one per centum (1%) of the balance of such unpaid principal amount of such notes.

Section 5: No counsel shall be employed by the Trustee in connection with the exercise of any rights or the enforcement of any remedies hereunder except with the approval in writing of the holder or holders of not less than a majority in principal amount of the notes at the time outstanding.

ARTICLE VPossession Until Default-Defeasance Clause

Section 1: Until some one or more of the event of default shall have happened, the Corporation shall be suffered and permitted to retain actual possession of the Trust Estate, and to manage, operate, and use the same and every part thereof, with the rights and franchises appertaining thereto, and to collect, receive, take, use, and enjoy the rents, revenues, issues, earnings, income, products, and profits thereof or therefrom, subject to the provisions of this Indenture.

Section 2: If the Corporation shall well and truly pay or cause to be paid the whole amount of the principal of and interest on the notes at the times and in the manner therein provided, according to the true ~~and~~ intent and meaning thereof, and shall also pay or cause to be paid all other sums payable hereunder by the Corporation and shall well and truly keep and perform, according to the true intent and meaning of this Indenture, all covenants herein required to be kept and performed by it, then and in that case, all property, rights, and interests hereby conveyed or assigned or pledged shall revert to the Corporation and the estate, right, title, and interest of the Trustee shall thereupon cease, determine, and become void and the Trustee, in such case, on written demand of the Corporation but at the Corporation's cost and expense, shall enter satisfaction of this Indenture upon the record. In any event, each noteholder, upon payment in full to him by the Corporation of all principal of and interest on any note held by him and the payment and discharge by the Corporation of all charges due to such noteholder hereunder, shall execute and deliver to the Corporation such instrument of satisfaction, discharge or release as shall be required by law in the circumstances.

ARTICLE VIMiscellaneous

Section 1: It is hereby declared to be the intention of the Corporation that all electric transmission and distribution lines or systems embraced in the Trust Estate, including, without limitation, all rights of way and easements granted or given to the Corporation or obtained by it to use real property in connection with the construction, operation, or maintenance of such lines or systems and all service and connecting lines, poles, posts, cross arms, wires, cable, conduits, mains, pipes, tubes, transformers, insulators, meters, electrical connections, lamps, fuses, junction boxes, and fixtures forming part of, or used in connection with, such lines or systems, and all other property physically attached to any of the foregoing described property, shall be deemed to be real property.

Section 2: All of the covenants, stipulations, promises, undertakings, and agreements herein contained by or on behalf of the Corporation shall bind its successors and assigns, whether so specified or not, and all titles, rights, and remedies hereby granted to or conferred upon the Trustee shall pass to and inure to the benefit of the successors and assigns of the Trustee and shall be deemed to be granted or conferred for the ratable benefit and security of all who shall from time to time be holders of notes executed and delivered as herein provided.

Section 3: The descriptive headings of the various articles of this Indenture were formulated and inserted for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof,

Section 4: All demands, notices, reports, approvals, designations, or directions required or permitted to be given hereunder shall be in writing and shall be deemed to be properly given if mailed by registered mail addressed to the proper party or parties at the following addresses:

As to the Corporation:

Blue Ridge Electric Cooperative, Inc.

Pickens, South Carolina