

MORTGAGE OF REAL ESTATE

WALKER, EVANS & COGSWELL CO., CHARLESTON, S. C. 14566-9-13-40

one-half of one per cent ($\frac{1}{2}\%$) of such principal amount if such redemption be effected after July 1, 1965, and prior to maturity.

In every case of redemption of Series B Bonds the notice of such redemption shall be given in the manner provided in article eight of the Original Indenture and for that purpose fully registered bonds without coupons of Series B shall be treated in the same manner as coupon bonds of Series B registered as to principal provided, however, that in each case of redemption of less than all of the Series B Bonds each fully registered bond of Series B shall be given a separate number for each \$1000 principal amount thereof in any selection by lot for redemption; and provided, further, that if all of the Series B Bonds to be redeemed are either coupon bonds registered as to principal or fully registered bonds without coupons then notice of such redemption need not be published but such notice shall be deemed to be sufficiently given if the same shall be sent by registered mail to the registered owners of the bonds to be redeemed at their addresses appearing upon the registration books kept at the office of the Trustee.

Section 2.03. The bonds of Series B and the coupons to be attached to the coupon bonds of said Series shall be substantially in the following forms, respectively;

(FORM OF COUPON BOND OF SERIES B)

SOUTH CAROLINA CONTINENTAL TELEPHONE COMPANY.

INCORPORATED UNDER THE LAWS OF THE STATE OF DELAWARE.

First Mortgage 4% Twenty-five Year Bond, Series B

Due July 1, 1966

Number M.....

\$1,000

South Carolina Continental Telephone Company (hereinafter called the "Company"), a corporation organized and existing under and by virtue of the laws of the State of Delaware, for value received, acknowledges itself indebted and hereby promises to pay to the bearer hereof, or, if this bond be registered as to principal as hereinafter provided, to the registered owner hereof, on the first day of July, 1966, One Thousand Dollars (\$1,000) in any coin or currency of the United States of America which at the time of payment shall be legal tender for public and private debts, and to pay interest thereon from the date hereof at the rate of four per cent (4%) per annum in like coin or currency, semi-annually on the first day of January and of July in each year until the payment of the said principal sum, but, until maturity hereof, only upon the presentation and surrender of the interest coupons hereto appertaining as they severally mature.

The principal of and interest on this bond are payable at the office of City National Bank and Trust Company of Chicago or of its successor in trust under the indenture hereinafter mentioned, in the City of Chicago and State of Illinois.

This bond is one of a series of bonds designated First Mortgage 4% Twenty-five year Bonds, Series B. The bonds of the said series are part of an issue of bonds of the Company authorized, without limit as to aggregate principal amount issued or outstanding, issued and to be issued under and pursuant to and secured by an indenture of mortgage dated as of July 1, 1936 (herein referred to as the "indenture"), duly executed and delivered by the Company to City National Bank and Trust Company of Chicago and Arthur T. Leonard, as Trustees (the term "Trustee" where used herein referring to said City National Bank and Trust Company of Chicago or its successors in said trust) to which indenture, including all indentures supplemental thereto, reference is hereby made for a description of the property, rights and franchises thereby mortgaged, the nature and extent of the security, the rights of the holders of the said bonds in respect of such security and the rights and immunities of the Trustees. Such bonds are issuable in successive series which may vary as to date, date of maturity, rate of interest, medium of payment, and in other respects as in the said indenture provided.

Upon at least thirty (30) days' notice given as provided in the indenture and in the supplemental indenture creating the Series B bonds, this bond is subject to redemption at any time prior to maturity, at the option of the Company or through the operation of the special trust fund provided for the bond of said Series B, upon payment of the principal amount hereof, interest accrued hereon to the date of such redemption, and, if such redemption be effected at the option of the Company, a premium of ten per cent (10%) of such principal amount if such redemption be effected on or before July 1, 1946; eight per cent (8%) of such principal amount if such redemption be effected after July 1, 1946, and on or before July 1, 1951; seven per cent (7%) of such principal amount if such redemption be effected after July 1, 1951, and on or before July 1, 1956; five per cent (5%) of such principal amount if such redemption be effected after July 1, 1956 and on or before July 1, 1961; two and one-half per cent ($2\frac{1}{2}\%$) of such principal amount if such redemption be effected after July 1, 1961, and on or before July 1, 1962; two per cent (2%) of such principal amount if such redemption be effected after July 1, 1962, and on or before July 1, 1963; one and one-half per cent ($1\frac{1}{2}\%$) of such principal amount if such redemption be effected after July 1, 1963, and on or before July 1, 1964; one per cent (1%) of such principal amount if such redemption be effected after July 1, 1964, and on or before July 1, 1965; and one-half of one per cent ($\frac{1}{2}\%$) of such principal amount if such redemption be effected after July 1, 1965, and prior to maturity; and if such redemption be effected through the operation of said special trust fund, a premium of