

MORTGAGE OF REAL ESTATE

WALKER, EWING & COGSWELL CO., CHARLESTON, S. C. 1458E-8-13-40

seven per cent (7%) of such principal amount if such redemption be effected on or before July 1, 1946; six per cent (6%) of such principal amount if such redemption be effected after July 1, 1946, and on or before July 1, 1951; five per cent (5%) of such principal amount if such redemption be effected after July 1, 1951, and on or before July 1, 1956; four per cent (4%) 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 (2½%) 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 (1½%) 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 (½%) of such principal amount if such redemption be effected after July 1, 1965, and prior to maturity.

In case an event of default as defined in the indenture shall occur, the principal of this bond may become or be declared due and payable at the time or times and in the manner and with the effect provided in the indenture.

This bond shall pass by delivery unless it be registered as to principal in the name of the owner on the books of the Company, at the office of the Trustee, in the City of Chicago and State of Illinois, such registration being noted hereon as provided in the indenture. After such registration no transfer hereof shall be valid unless made on such books by the registered owner hereon in person or by attorney duly authorized in writing and similarly noted hereon, but this bond may be discharged from registration by transfer in like manner to bearer and thereupon transferability by delivery shall be restored and it may again from time to time be registered or transferred to bearer as before. Such registration, however, shall not affect the negotiability of the coupons hereto appertaining which shall continue to be payable to bearer and transferable by delivery, and the payment thereof to bearer shall fully discharge the Company in respect of the interest therein mentioned.

The bearer or registered owner of coupon bonds of said Series B may surrender the same, with all unmatured interest coupons thereto appertaining, for cancellation at the office of the Trustee in exchange for a fully registered bond or bonds without coupons of any authorized denomination or denominations, of like aggregate principal amount and of the same series, registered in the name of such bearer or registered owner or his assignee, all upon payment of the charges and subject to the terms and conditions set forth in the indenture and in any indenture supplemental thereto.

When proposed by the Company and to the extent permitted by and as provided in the indenture, the rights and obligations of the Company and of the holders of the bonds and coupons issued thereunder and the provisions of the indenture, or of any indenture supplemental thereto, may be modified in certain respects with the assent and authorization in writing, given as in the indenture provided, of the holders of seventy-five per cent (75%) in principal amount of the bonds then outstanding under the indenture, excluding bonds directly or indirectly owned or controlled by company or by any corporation which directly or indirectly controls the Company; provided, however, that no such modification shall affect the terms of payment or the dates fixed for payment of the principal of or interest on this bond, which in those respects is unconditional. No recourse shall be had for the payment of the principal of or the interest on this bond or of any claim based hereon, or in respect hereof or of the indenture against any incorporator, stockholder, officer or director of the Company, or of any corporation successor to it, either directly or through any receiver or trustee, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being by the acceptance hereof expressly released.

Neither this bond nor any coupon hereto appertaining shall become valid or obligatory for any purpose until this bond shall have been authenticated by the execution of the certificate hereon endorsed by City National Bank and Trust Company of Chicago, Trustee under the indenture, or its successor in the said trust.

IN WITNESS WHEREOF, SOUTH CAROLINA CONTINENTAL TELEPHONE COMPANY has caused these presents to be signed in its name by its President or by one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or by one of its Assistant Secretaries, and coupons for the said interest bearing the facsimile signature of its Treasurer or Assistant Treasurer to be attached hereto, and this bond to be dated as of the first day of July, A. D. 1941.

SOUTH CAROLINA CONTINENTAL TELEPHONE COMPANY

BY.....

.....President

Attested:

.....

.....Secretary.