

MORTGAGE OF REAL ESTATE

WALKER, EVANS & COGSWELL CO., CHARLESTON, S. C. 14586-8-13-40

Number.....

\$20.00

On the first day of, 19....., SOUTH CAROLINA CONTINENTAL TELEPHONE COMPANY will (unless the bond hereinafter mentioned shall have been called for previous redemption) pay to bearer, at the office of City National Bank and Trust Company of Chicago or of its successor in trust under the indenture securing said bond, in the City of Chicago and State of Illinois, upon surrender of this coupon, Twenty Dollars (\$20.00) 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, being semi-annual interest then due on its First Mortgage 4% Twenty-five Year Bond, Series B, number M-.....

Treasurer.

(Form of fully registered bond without coupons 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 R.....

\$.....

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 or registered assigns, on the first day of July, 1966, Dollars (\$) 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.

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. Leanord, as Trustee (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 right 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 (or any part of the principal amount hereon amounting to \$1,000 or some multiple of \$1,000) 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 bonds of said Series B, upon payment of the principal amount hereof or of the redeemed portion thereof, interest accrued hereon (or on the redeemed portion) 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 (the term "principal amount" here and hereinafter in this paragraph meaning the principal amount or the redeemed portion thereof) 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 (2½%) of such principal amount of 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; and, if such redemption be effected through the operation of said special trust fund, a premium of 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