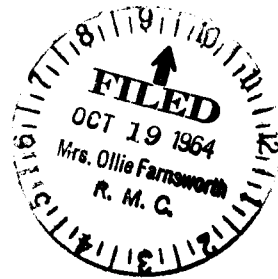


Ref. Mtge.  
Rev. 4/63  
2-437



**MORTGAGE**, dated as of August 18, 1964 - - - - , made by LAURENS ELECTRIC COOPERATIVE, INC. - - - - - (hereinafter called the "Mortgagor"), a corporation - - - - - organized and existing under the laws of the State of South Carolina - - - - , to UNITED STATES OF AMERICA (hereinafter sometimes called the "Mortgagee").

WHEREAS, the Mortgagor, to evidence the borrowing of funds from the Mortgagee pursuant to the Rural Electrification Act of 1936, as amended (7 U.S.C. 901 et seq., hereinafter called the "Act"), has duly authorized and executed, and has delivered to the Mortgagee, its mortgage note (hereinafter called the "First Note"), to be secured by a mortgage in the terms hereof of the property hereinafter described; and

WHEREAS, the First Note is of even date herewith, is in the principal amount of seven hundred forty-eight thousand - - - - - dollars (\$748,000 - - - - ), is payable to the order of United States of America at the United States Treasury, Washington, D. C., bears interest at the rate of two (2) per centum per annum, and provides for the payment of the interest accruing on the principal thereof for three - - - - (3) years after the date thereof, and provides further for payments thereafter on the last day of February - - , May - - - - , August - - - - , and November - - in each year, which payments will be in amounts calculated to be sufficient to pay and discharge the principal of the First Note and interest thereon within thirty-five - - (35) years after the date thereof, at which time the unpaid principal of the First Note and interest thereon, if any, shall become due and payable; and

WHEREAS, the Mortgagor, for value received, to evidence the prior borrowing of funds pursuant to the Act, has heretofore duly authorized and executed, and has delivered to the Mortgagee, the following certain mortgage notes (hereinafter collectively called the "Outstanding Notes"), all payable to the order of the Mortgagee, in installments:

<u>DATE</u>	<u>PRINCIPAL AMOUNT</u>	<u>FINAL PAYMENT DATE</u>
1. November 25, 1939	\$ 57,000	November 25, 1964
2. October 15, 1940	106,000	October 15, 1965
3. April 25, 1941	30,000	April 25, 1966
4. June 5, 1943	10,000	June 5, 1968
5. July 5, 1945	78,000	July 5, 1980
6. August 6, 1945	212,000	August 6, 1980
7. July 11, 1946	258,000	July 11, 1981
8. March 20, 1947	460,000	March 20, 1982
9. February 3, 1949	280,000	February 3, 1984
10. March 15, 1950	225,000	March 15, 1985
11. October 21, 1950	635,000	October 21, 1985
12. July 2, 1954	595,000	July 2, 1989
13. November 16, 1956	470,000	November 16, 1991
14. April 15, 1958	465,000	April 15, 1993
15. January 31, 1961	743,000	January 31, 1996; and

WHEREAS, all of the Outstanding Notes are secured by a certain indenture of deed of trust, dated as of March 20, 1947, as amended and supplemented by a certain supplemental indenture of deed of trust, dated as of November 16, 1956, each made by and between the Mortgagor and The South Carolina National Bank of Charleston, a banking corporation, organized and existing under the laws of