

and supersede the Rowan Mortgage, the Thermal Belt Mortgage, the Mooresville Mortgage, the Mid-Carolina Mortgage and the Mid-Carolina Loan Agreements; and

WHEREAS, Rowan and Thermal Belt have entered into telephone loan contracts with the United States of America, dated as of February 5, 1951 and November 12, 1957, respectively (which, as amended, are hereinafter collectively called the "Outstanding Loan Contracts"); and

WHEREAS, to the extent that any of the property described or referred to in this Indenture is governed by the provisions of the Uniform Commercial Code of the state of North Carolina, Sections 25-1-101 through 25-10-103 General Statute of North Carolina, as amended (hereinafter called the "Uniform Commercial Code"), the parties hereto desire that this Indenture be regarded as a security agreement and as a financing statement for said security agreement under the Uniform Commercial Code; and

WHEREAS, all of the conditions and requirements necessary to make this Indenture, when duly executed and delivered a valid, binding and legal instrument, have been done, performed and fulfilled, and the execution and delivery of this Indenture in the form and with the terms and conditions herein have in all respects been duly authorized and approved; and

WHEREAS, all acts and things necessary to constitute these presents a valid indenture and agreement according to its terms, have been done and performed, and the execution of this Indenture has in all respects been duly authorized, and the Corporation, in the exercise of the legal right and power in it vested, executes this Indenture;

NOW, THEREFORE, THIS INDENTURE WITNESSETH: That in order to supersede and replace the Rowan Mortgage, Thermal Belt Mortgage, Mooresville Mortgage, Mid-Carolina Mortgage and the Mid-Carolina Loan Agreements and to secure the payment of the principal and interest and premium, if any, on the Bonds and Notes, to secure the performance and observance of all the covenants and conditions therein and herein contained, and to declare the terms and conditions upon which the Bonds are authenticated, issued and received and in consideration of the premises, of the mutual covenants herein contained, of the purchase and acceptance of the Bonds and Notes by the holders thereof, the release of the Rowan Mortgage, Thermal Belt Mortgage, Mooresville Mortgage, Mid-Carolina Mortgage and the Mid-Carolina Loan Agreements and of other valuable considerations, the receipt whereof is hereby acknowledged, the Corporation covenants and agrees with the Trustee, for the equal and proportionate benefit of all present and future holders of the Bonds and Notes, as hereinafter set forth; and the Corporation by this Indenture does hereby grant, bargain, sell, mortgage or grant a security interest in