

WHEREAS, said First Supplemental Indenture was indexed and cross-indexed in the real and chattel mortgage records in various Counties in the States of North Carolina and South Carolina; and

WHEREAS, in addition to the property described in the Mortgage and in said First Supplemental Indenture, the Company has acquired certain other property, rights and interests in property; and

WHEREAS, the Company has heretofore issued, in accordance with the provisions of the Mortgage, bonds of a series entitled and designated First Mortgage Bonds, 3¾% Series due 1965 (hereinafter called the bonds of the First Series), in the aggregate principal amount of Forty-six Million Dollars (\$46,000,000) all of which will have been retired prior to or concurrently with the initial issue of bonds of the Third Series hereinafter referred to; and

WHEREAS, the Company has heretofore issued, in accordance with the provisions of the Mortgage and of the First Supplemental Indenture, bonds of a series entitled and designated First Mortgage Bonds, 3½% Series due 1979 (hereinafter called the bonds of the Second Series) in the aggregate principal amount of Fifteen Million Dollars (\$15,000,000) all of which are Outstanding; and

WHEREAS, Section 8 of the Mortgage provides that the form of each series of bonds (other than the First Series) issued thereunder and of the coupons to be attached to the coupon bonds of such series shall be established by Resolution of the Board of Directors of the Company and that the form of such series, as established by said Board of Directors, shall specify the descriptive title of the bonds and various other terms thereof, and may also contain such provisions not inconsistent with the provisions of the Mortgage as said Board of Directors may, in its discretion, cause to be inserted therein expressing or referring to the terms and conditions upon which such bonds are to be issued and/or secured under the Mortgage; and

WHEREAS, Section 120 of the Mortgage provides, among other things, that any power, privilege or right expressly or impliedly re-