

ARTICLE V.

Possession Until Default-Defeasance Clause

Section 1. Until some one or more of the events of default shall have happened, the Corporation shall be suffered and permitted to retain actual possession of the Trust Estate, and to manager, operate, and use the same and every part thereof, with the rights and franchises appertaining thereto, and to collect, receive, take, use and enjoy the rents, revenues, issues, earnings, income, products, and profits thereof or therefrom, subject to the provisions of this Indenture.

Section 2. If the Corporation shall well and truly pay or cause to be paid the whole amount of the principal of and interest on the notes at the times and in the manner therein provided, according to the trust intent and meaning thereof and shall also pay or cause to be paid all other sums payable hereunder by the Corporation and shall well and truly keep and perform, according to the true intent and meaning of this Indenture, all covenants herein required to be kept and performed by it, then and in that case, all property, rights, and interests hereby conveyed or assigned or pledged shall revert to the Corporation and the estate, right, title, and interest of the Trustee shall thereupon cease, determine, and become void and the Trustee, in such case, on written demand of the Corporation but at the Corporation's cost and expense, shall enter satisfaction of this Indenture upon the record. In any event, each noteholder, upon payment in full to him by the Corporation of all principal of and interest on any note held by him and the payment and discharge by the Corporation of all charges due to such noteholder hereunder, shall execute and deliver to the Corporation such instrument of satisfaction, discharge or release as shall be required by law in the circumstances.

ARTICLE VI.

MISCELLANEOUS.

Section 1. It is hereby declared to be the intention of the Corporation that all electric transmission and distribution lines or systems embraced in the Trust Estate, including, without limitation, all rights of way and easements granted or given to the Corporation or obtained by it to use real property in connection with the construction, operation, or maintenance of such lines or systems and all service and connecting lines, poles, posts, crossarms, wires, cables, conduits, mains, pipes, tubes, transformers, insulators, meters, electrical connections, lamps, fuses, junction boxes, and fixtures forming part of, or used in connection with, such lines or systems, and all other property physically attached to any of the foregoing described property, shall be deemed to be real property.

Section 2. All of the covenants, stipulations, promises, undertakings, and agreements herein contained by or on behalf of the Corporation shall bind its successors and assigns, whether so specified or not, and all titles, rights, and remedies hereby granted to or conferred upon the Trustee shall pass to and insure to the benefit of the successors and assigns of the Trustee and shall be deemed to be granted or conferred for the ratable benefit and security of all who shall from time to time be holders of notes executed and delivered as herein provided.

Section 3. The descriptive headings of the various articles of this Indenture were formulated and inserted for convenience only and shall not be deemed to affect the meaning or construction of any of the provisions hereof.

Section 4. All demands, notices, reports, approvals, designations, or directions required or permitted to be given hereunder shall be in writing and shall be deemed to be properly given if mailed by registered mail addressed to the proper party or parties at the following addresses:

As to the Corporation:

Laurens Electric Cooperative, Inc.

Laurens, South Carolina.

As to the Trustee:

The South Carolina National Bank of Charleston

Charleston, South Carolina

As to the Government:

Rural Electrification Administration

Washington, D. C.

and as to any other person, firm, corporation, or governmental body or agency having an interest herein by reason of being the holder of any note or otherwise, at the last address designated by such person, firm, corporation, governmental body or agency to the Corporation, the Trustee, and the Government. The Corporation, the Trustee, or the Government may from time to time designate to each other a new address to which demands, notices, reports, approvals, designations, or directions may be addressed and from and after any such designation the address designated shall be deemed to be the address of such party in lieu of the address hereinabove given. For the purposes of this Indenture the Government shall be deemed to be the holder of all outstanding notes unless and until notice of the assignment or transfer thereof shall have been given in writing to the Trustee and the Corporation.

Section 5. The invalidity of any one or more phrases, clauses, sentences, paragraphs, or provisions shall not affect the remaining portions of this Indenture.

Section 6. This Indenture may be simultaneously executed in any number of counterparts, and all said counterparts executed and delivered, each as an original, shall constitute but one