

INDENTURE

between

LAURENS ELECTRIC COOPERATIVE, INC.

and

THE SOUTH CAROLINA NATIONAL BANK OF CHARLESTON,

as Trustee

Dated as of May 20, 1939

INDENTURE, dated as of May 20, 1939, made by and between LAURENS ELECTRIC COOPERATIVE, INC. (hereinafter called the "Corporation"), a cooperative corporation organized and existing under the laws of the State of South Carolina, and THE SOUTH CAROLINA NATIONAL BANK OF CHARLESTON (hereinafter called the "Trustee"), a banking corporation organized and existing under the laws of United States of America.

WHEREAS, the Corporation has determined to borrow funds from United States of America (hereinafter called the "Government") under and pursuant to the Rural Electrification Act of 1936, as amended by the Rural Electrification Act of 1938, for its lawful corporate purposes and, to that end, has duly authorized, executed and delivered its first mortgage note (hereinafter called the "First Note"), to the Government, to be secured by an indenture of mortgage and deed of trust in the terms hereof of the property hereinafter described; and

WHEREAS, the First Note is of even date herewith, in the principal amount of two hundred twenty-four thousand dollars (\$224,000), is payable to the order of the Government, at the United States Treasury, Washington, D. C., bears interest at the rate of 2.73 per centum per annum, and provides for the accumulation of the interest accruing on the First Note for the first thirty (30) months after the date thereof (hereinafter called the "accumulated interest"), and that thereafter and until a date forty-eight (48) months after the date thereof interest on the unpaid accumulated interest and on the unpaid principal thereof shall become due and payable on the twentieth day of each month, and provides further for payments thereafter on the twentieth day of each month commencing with a date forty-nine (49) months after the date thereof, to be applied first to the payment of current interest on the accumulated interest and current interest on the principal thereof, then on account of the accumulated interest and, after the payment thereof, in full, to the payment on account of the principal thereof, which payments will be in amounts calculated to be sufficient to pay and discharge the principal of the First Note within twenty-five (25) years after the date thereof, at which time the unpaid principal of the First Note, if any, shall become due and payable; and

WHEREAS, it is contemplated that additional notes (hereinafter called the "addition notes") shall from time to time be executed and delivered by the Corporation to the Government to evidence loans made by the Government to the Corporation pursuant to the Rural Electrification Act of 1936, as from time to time amended, and that from time to time the Corporation may execute and deliver to the holder or holders of outstanding notes secured hereby notes to refund such outstanding notes, or in renewal thereof, or in substitution therefor, all to be secured hereby (the First Note, the additional notes, and notes executed and delivered to refund, or in renewal of, or substitution for, and outstanding note or notes being hereinafter sometimes collectively called the "notes");

NOW, THEREFOR, THIS INDENTURE WITNESSETH that, in order to secure the payment of the principal of and interest on the notes, according to their tenor and effect and further to secure the due performance of the covenants, agreements, and provisions contained in this Indenture and to declare the terms and conditions upon which the notes are to be secured, the Corporation, in consideration of the premises, has executed and delivered this Indenture, and has granted, bargained, sold, conveyed, warranted, assigned, transferred, pledged, and set over, and by these presents does hereby grant, bargain, sell, convey, warrant, assign, transfer, pledge, and set over, unto the Trustee, and its successors or successors in the trust hereby created, and its and their assigns, all and singular the following-described property (hereinafter sometimes called the "Trust Estate"):

I

All right, title, and interest of the Corporation in and to the electric transmission and distribution lines or systems proposed to be constructed or acquired by the Corporation with the proceeds of the loan evidenced by the First Note pursuant to a certain loan contract (hereinafter called the "Loan Contract") between the Corporation and the Government, dated as of May 19, 1939, and to be located in the Counties of Greenville, Laurens, Newberry and Spartanburg, and to be counties contiguous thereto, in the State of South Carolina, and in and to all extensions and improvements thereof and additions thereto, including all substations, service and connecting lines, poles, posts, crossarms, wires, cables, conduits, mains, pipes, tubes, transformers, insulators, meters, electrical connections, lamps, fuses, junction boxes, fixtures, appliances, machinery, tools, supplies, switching and other equipment, trucks and automobiles, and any and all other property of every nature and description, used or acquired for use by the Corporation in connection therewith; and also all right, title, and interest of the Corporation in and to any

See P. G. M. Book 312, Page 204; 296-154; 322-225; 335-116; 354-49; 365-29.