

MORTGAGE OF REAL ESTATE

WALKER, EMANS & COGSWELL CO., CHARLESTON, S. C. 14566-8-13-40

amount if such redemption be effected after July 1, 1951, and on or before July 1, 1956; four per cent (4%) of such principal amount if such redemption be effected after July 1, 1956, and on or before July 1, 1961; two and one-half per cent (2½%) of such principal amount if such redemption be effected after July 1, 1961, and on or before July 1, 1962; two per cent (2%) of such principal amount if such redemption be effected after July 1, 1962, and on or before July 1, 1963; one and one-half per cent (1½%) of such principal amount if such redemption be effected after July 1, 1963, and on or before July 1, 1964; one per cent (1%) of such principal amount if such redemption be effected after July 1, 1964, and on or before July 1, 1965; and one-half of one per cent (½%) of such principal amount if such redemption be effected after July 1, 1965, and prior to maturity. In case an event of default as defined in the indenture shall occur, the principal of this bond may become or be declared due and payable at the time or times and in the manner and with the effect provided in the indenture.

This bond is transferable by the registered owner hereof, in person or by attorney duly authorized in writing, at the office of the Trustee in the City of Chicago and State of Illinois, upon surrender and cancellation of this bond, and thereupon a new fully registered bond or bonds without coupons of the same aggregate principal amount in authorized denominations of the same series will be issued to the transferee or transferees in exchange herefor.

The registered owner of this bond may, in person or by attorney duly authorized in writing, surrender this bond for cancellation at the office of the Trustee in exchange for a like aggregate principal amount of coupon bonds of the same series and of the denomination of One Thousand Dollars (\$1,000) each, all upon payment of the charges and subject to the terms and conditions set forth in the indenture and in any indenture supplemental thereto.

When proposed by the Company and to the extent permitted by and as provided in the indenture, the rights and obligations of the Company and of the holders of the bonds and coupons issued thereunder and the provisions of the indenture or of any indenture supplemental thereto, may be modified in certain respects with the assent and authorization in writing, given as in the indenture provided of the holders of seventy-five per cent (75%) in principal amount of the bonds then outstanding under the indenture, excluding bonds directly or indirectly owned or controlled by the Company or by any corporation which directly or indirectly controls the Company; provided, however, that no such modification shall affect the terms of payment or the dates fixed for payment of the principal of or interest on this bond, which in those respects is unconditional.

No recourse shall be had for the payment of the principal of or the interest on this bond or of any claim based hereon, or in respect hereof or of the indenture against any incorporator, stockholder, officer or director of the Company, or of any corporation successor to it, either directly or through any receiver or trustee, whether by virtue of any constitution, statute or rule of law, or by the enforcement of any assessment or penalty, or otherwise, all such liability being by the acceptance hereof expressly released.

This bond shall not become valid or obligatory for any purpose until it shall have been authenticated by the execution of the certificate hereon endorsed by City National Bank and Trust Company of Chicago, Trustee under the indenture, or its successor in the said trust.

IN WITNESS WHEREOF, SOUTH CAROLINA CONTINENTAL TELEPHONE COMPANY has caused these presents to be signed in its name by its President or by one of its Vice Presidents and its corporate seal to be hereunto affixed and attested by its Secretary or by one of its Assistant Secretaries, and this bond to be dated as of

SOUTH CAROLINA CONTINENTAL TELEPHONE COMPANY

By.....

.....President.

Attested;

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.....Secretary.

Section 2.04. The holder of any coupon bonds of Series B, in principal amount equal to Five Thousand Dollars (\$5,000) or some multiple thereof, may, at the office of the Trustee, surrender the same, with all unmatured interest coupons thereto appertaining, for cancellation and thereupon the Company shall supply and execute and the Trustee shall, upon cancellation of the surrendered bonds and all unmatured interest coupons thereto appertaining, authenticate and deliver in exchange therefor a fully registered bond or bonds without coupons of like aggregate principal amount and of the same series, registered in the name of such holder or his nominee.

Whenever the registered owner of any fully registered bond or bonds without coupons of Series B shall, in person or by duly authorized attorney, surrender the same for transfer at the office of the Trustee, accompanied by written instrument of transfer in the form approved by the Trustee, the Company shall issue and the Trustee shall authenticate in the name of the transferee and shall deliver in exchange for such surrendered bond or bonds a new fully registered bond or bonds without coupons of the same series, for a like aggregate principal amount and of any authorized denomination or denominations.

Whenever any fully registered bond without coupons of Series B, accompanied by written instrument