

MORTGAGE OF REAL ESTATE

38579 PROVENGE-JARRARD CO.-GREENVILLE

in each case upon the sum of the accumulated interest and the principal amount of this Bond unpaid forty-eight (48) months after the date hereof, to-wit:

from 4½ years to 5 years after the date hereof at the rate of \$18.00 per \$1,000;

from 5½ years to 6 years after the date hereof at the rate of \$24.00 per \$1,000;

from 6½ years to 7 years after the date hereof at the rate of \$30.00 per \$1,000;

from 7½ years to 25 years after the date hereof at the rate of \$33.00 per \$1,000.

Each such payment shall be applied first to the payment of current interest on the accumulated interest, if any, and on the principal hereof, then to the payment on account of the accumulated interest until the accumulated interest shall be fully paid, and then to the payment on account of the principal hereof. Twenty-five (25) years after the date hereof the principal hereof remaining unpaid, if any, shall become due and payable.

The Authority on any payment date, as hereinabove provided, may pay all or any part of the principal amount hereof then remaining unpaid, but so long as any of the principal amount hereof shall remain unpaid, the Authority shall be obligated to make the semi-annual payments in the amount hereinabove provided.

This bond is issued to provide funds for the construction of certain rural electric transmission or distribution lines in various counties of the State of South Carolina, pursuant to a Resolution of the Board of Directors of the Authority duly adopted on _____, 1938, in conformity with the provisions of the State Rural Electrification Authority Act of South Carolina. Such lines are in addition to those authorized pursuant to Resolutions of the Board of Directors of the Authority adopted on October 31, 1935, February 4, 1936, November 10, 1937 and July 28, 1938. The funds provided by this Bond shall also be available for expenses incurred in connection with the operation of all such electric transmission and distribution lines. This Bond is issued pursuant to and in accordance with the provisions of said State Rural Electrification Authority Act of South Carolina and this recital was duly authorized by the Board of Directors of the Authority in the Resolution first above mentioned.

This bond is secured by a certain mortgage (hereinafter called the " Mortgage"), dated February 4, 1936, executed and delivered by the Authority to the United States of America, as amended, supplemented and extended by a certain indenture of supplemental mortgage (hereinafter called the " Indenture") dated as of November 15, 1937, executed and delivered by and between the Authority and United States of America and as further amended and supplemented by two certain supplemental mortgages, dated as of July 20, 1938 and November 1, 1938, respectively (hereinafter called the " First Supplemental Mortgage" and the " Second Supplemental Mortgage" respectively), both executed and delivered by the Mortgagor to the Government (the Mortgage as amended, supplemented and extended by the Indenture, the First Supplemental Mortgage and the Second Supplemental Mortgage being hereinafter called the " Amended Mortgage") and is one of several bonds (hereinafter called the " Bonds") limited to the aggregate principal amount of three million dollars (\$3,000,000) permitted to be executed and delivered by the Authority pursuant and subject to the Amended Mortgage. The Amended Mortgage provides that all Bonds, subject to the limitation as to aggregate principal amount hereinabove specified, including any Bond or Bonds which may be executed and delivered by the Authority in renewal of or substitution for any outstanding Bond shall be equally and ratably secured by the Amended Mortgage, without preference, priority or distinction of any one Bond over any other Bond and irrespective of the dates of execution and delivery of the respective Bonds. This Bond is further secured by a first pledge of all of the revenues of electric transmission and distribution lines heretofore or hereafter constructed by the Authority (including improvements, betterments and extensions thereto hereafter constructed or acquired) all as provided in the four Resolutions of the Board of Directors of the Authority hereinabove referred to. Reference is hereby made to the Amended Mortgage and to said Resolutions for a description of the property and revenues mortgaged and pledged thereby, the nature and extent of the security and the rights of the holder of this Bond with respect thereto.

This Bond does not constitute a debt of the State of South Carolina.

In case of default by the Authority as provided in the Amended Mortgage, all accrued interest on and all unpaid principal of this Bond and any other Bonds at the time outstanding may be declared or may become due and payable in the manner and with the effect provided in the Amended Mortgage.

IN WITNESS WHEREOF the Authority has caused this Bond to be signed in its name by the Chairman of its Board of Directors thereunto duly authorized, and its corporate seal to be hereunto affixed and attested by its Secretary-Treasurer, also thereunto duly authorized, as of the day and year first above written.

STATE RURAL ELECTRIFICATION AUTHORITY

By- Olin D. Johnston

Chairman of its Board of Directors

(Seal)

Attest:

A. J. Drake

Secretary-Treasurer

