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may hereafter acquire in and to the aforesaid mortgaged property and franchises and every part and parcel thereof;

It is HEREBY AGREED by the Company that all the property, rights and franchises acquired by the Company after the date hereof (except any in the Original Indenture, as supplemented, expressly excepted) shall (subject to the provisions of § 8.01 of the Original Indenture and to the extent permitted by law) be as fully embraced within the lien of the Original Indenture as if such property, rights and franchises were now owned by the Company and/or specifically described herein and conveyed hereby.

#### EXCEPTED PROPERTY

There is, however, expressly excepted and excluded from the lien and operation of the Indenture, and none of the foregoing described property or anything herein contained shall or shall be intended to include, any property of a character described under the heading "EXCEPTED PROPERTY" in the Original Indenture.

The Company may, however, subject to the lien and operation of the Indenture all or any part of the Excepted Property.

AND THE COMPANY, for itself and its successors, does hereby covenant and agree to and with the Trustees and their respective successors in the trust under the Original Indenture, for the benefit of those who shall hold the bonds and coupons, or any of them, to be issued hereunder and thereunder, as hereinafter provided as follows:

#### ARTICLE I.

##### Creation and Description of the Bonds of the 1989 Series.

SECTION 1. A new series of bonds to be issued under and secured by the Indenture is hereby created, to be designated as First Mortgage Bonds, 8½% Series due 1989. The Bonds of the 1989 Series shall be limited to an aggregate principal amount of Fifteen Million Dollars (\$15,000,000), excluding, however, any Bonds of the 1989 Series which may be executed, authenticated and delivered on a transfer of or in exchange for or in lieu

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of or in substitution for other Bonds of the 1989 Series pursuant to the provisions of §§ 2.05, 2.10, 2.11, 5.03 and 15.09 of the Original Indenture or of this Supplemental Indenture. When Fifteen Million Dollars (\$15,000,000) principal amount of Bonds of the 1989 Series have been issued, no further Bonds of such series shall be executed, authenticated and delivered except on a transfer of or in exchange for or in lieu of or in substitution for other Bonds of such series pursuant to such provisions. Said Bonds of the 1989 Series shall be substantially in the form heretofore recited. All Bonds of the 1989 Series shall be fully registered and dated as provided in § 2.04 of the Original Indenture. All Bonds of the 1989 Series shall mature August 1, 1989 and shall bear interest at the rate of 8½% per annum, payable semi-annually on February 1 and August 1 in each year until the Company's obligation with respect to such principal sum shall be discharged; the principal of and interest and premium, if any, on each such Bond shall be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York; and principal, premium, if any, and interest shall be payable in any coin or currency of the United States of America which at the time of payment shall be legal tender for the payment of public and private debts.

The holder of any Bond on any record date (as hereinbelow defined) with respect to any interest payment date shall be entitled to receive the interest payable on such interest payment date notwithstanding the cancellation of such Bond upon any exchange or transfer thereof subsequent to the record date and prior to such interest payment date (except that in case of any redemption of Bonds as provided for herein on a date subsequent to the record date and prior to such interest payment date, interest on such redeemed Bonds shall be payable only to the date fixed for redemption thereof and only against surrender of such Bonds for redemption in accordance with the notice of redemption, and except if and to the extent that the Company shall default in the payment of the interest due on such interest payment date, in which case such defaulted interest shall be paid to the person in whose name such Bond is registered two business days immediately preceding the date of payment of such defaulted interest). Any Bond issued upon any transfer or exchange subsequent to the record date for any interest payment date and prior to such interest payment date shall bear interest from such interest payment date unless the Company shall default in