

dated as of October 1, 1965, creating a seventh series of bonds designated "First Mortgage Bonds, 4% Series due 1965".

WHEREAS, the Company has heretofore executed and delivered to the Trustee and to B. M. Lamerson an Eighth Supplemental Indenture (herein called the "Eighth Supplemental Indenture"), dated as of May 15, 1967, creating an eighth series of bonds designated as "First Mortgage Bonds, 5% Series due 1967" and amending the Indenture in certain respects;

WHEREAS, the Company has heretofore executed and delivered to the Trustee and to B. M. Lamerson a Ninth Supplemental Indenture (herein called the "Ninth Supplemental Indenture"), dated as of April 1, 1968, creating a ninth series of bonds designated as "First Mortgage Bonds, 6% Series due 1968";

WHEREAS, the Company has heretofore executed and delivered to the Trustee and to B. M. Lamerson a Tenth Supplemental Indenture (herein called the "Tenth Supplemental Indenture"), dated as of February 1, 1969, creating a tenth series of bonds designated as "First Mortgage Bonds, 7% Series due 1969";

WHEREAS, the Company has heretofore executed and delivered to the Trustee and to B. M. Lamerson an Eleventh Supplemental Indenture (herein called the "Eleventh Supplemental Indenture"), dated as of June 1, 1970, creating an eleventh series of bonds designated as "First Mortgage Bonds, 9% Series due 2000";

WHEREAS, the Company desires in and by this Twelfth Supplemental Indenture to create a twelfth series of bonds to be issued under the Indenture, to designate or otherwise distinguish such series, to specify the particulars necessary to describe and define the same, and to specify such other provisions and agreements in respect thereof as are in said Indenture provided or permitted;

WHEREAS, the Company also desires in and by this Twelfth Supplemental Indenture to record the description of, and confirm unto the Trustees, certain property which is subject to the lien of the Indenture; and

WHEREAS, all acts and things necessary to make this Twelfth Supplemental Indenture, when duly executed and delivered, a valid, binding and legal instrument in accordance with its terms and for the purposes herein expressed, have been done and performed; and the execution and delivery of this Twelfth Supplemental Indenture have been in all respects duly authorized;

Now, THEREFORE, in consideration of the premises and in further consideration of the sum of One Dollar in lawful money of the United States of America paid to the Company by the Trustees at or before the execution and delivery of this Twelfth Supplemental Indenture, the receipt whereof is hereby acknowledged, and of other good and valuable considerations, it is agreed by and between the Company and the Trustees as follows:

DESCRIPTION OF CERTAIN PROPERTY SUBJECT TO THE LIEN OF
THE INDENTURE

The Company hereby confirms unto the Trustees, and records the description of the property described in Schedule A hereto attached and expressly made a part hereof, which property is subject to the lien of the Indenture in all respects as if originally described therein.

ARTICLE I

FIRST MORTGAGE BONDS, 7% SERIES DUE 2001.

SECTION 1. There is hereby created a Twelfth series of bonds to be issued under and secured by the Indenture, to be designated, distinguished and known as "First Mortgage Bonds, 7% Series due 2001" of the Company (herein called "Bonds of Twelfth Series"). Bonds of Twelfth Series may be issued without limitation as to aggregate principal amount except as provided in the Indenture and in this Twelfth Supplemental Indenture. The Bonds of Twelfth Series shall be registered bonds with-

out coupons and shall be dated as of the interest payment date next preceding the authentication thereof by the Trustee (except that (i) if any Bond of Twelfth Series shall be authenticated before December 1, 1971, it shall be dated as of June 1, 1971 unless (iii) below is applicable, (ii) if the Company shall at the time of the authentication of a Bond of Twelfth Series be in default in the payment of interest upon the Bonds of Twelfth Series, such Bond of Twelfth Series shall be dated as of the date of the beginning of the period for which such interest is so in default, and (iii) so long as there is no existing default in the payment of interest on the Bonds of Twelfth Series, if any Bond of Twelfth Series shall be authenticated after the close of business on any record date, as hereinafter defined, with respect to any interest payment date (December 1st or June 1st as the case may be) and on or prior to such interest payment date, it shall be dated as of such interest payment date). The registered owner of any Bond of Twelfth Series dated as of an interest payment date as provided in (iii) above shall, if the Company has defaulted in the payment of interest due on such interest payment date and such default shall be continuing, be entitled to exchange such Bond for a Bond or Bonds of Twelfth Series of the same aggregate principal amount dated as of the interest payment date next preceding the interest payment date first mentioned in this sentence. If the Trustee shall have knowledge at any time that any registered owner of a Bond of Twelfth Series shall be entitled by the provision of the next preceding sentence to exchange such Bond, the Trustee shall within thirty (30) days mail to such owner at the address of such owner appearing upon the registry book of the Company a notice informing such owner that such owner has such right of exchange. All Bonds of Twelfth Series shall mature June 1, 2001; the principal of and interest on the Bonds of Twelfth Series shall be payable in lawful money of the United States of America; the place where such principal shall be payable shall be at the principal office of the Trustee in the City of Chicago, Illinois (or at the principal office of any successor in trust); the place where interest shall be payable shall be the office or agency of the Company in the City of Chicago, Illinois; the rate of interest shall be 7% per annum, payable semi-annually on the first days of June and December of each year; and the terms of redemption shall be as referred to in Section 2 of this Article I.

So long as there is no existing default in the payment of interest on the Bonds of Twelfth Series, the person in whose name any Bond of Twelfth Series is registered at the close of business on any record date with respect to any interest payment date shall be entitled to receive the interest payable on such interest payment date, notwithstanding any transfer or exchange of such Bond of Twelfth Series subsequent to the record date and on or prior to such interest payment date, except as and to the extent 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 of Twelfth Series is registered on the date of payment of such defaulted interest.

As used in this Section 1, the term "default in the payment of interest" means failure to pay interest on the applicable interest payment date disregarding any period of grace permitted by Section 9.02 of the Indenture.

The term "record date" as used herein with respect to any interest payment date shall mean the fifteenth day (whether or not a business day) of the calendar month next preceding such interest payment date.

SECTION 2. The Bonds of Twelfth Series shall be redeemable prior to maturity, in whole at any time or in part from time to time, at the option of the Company or pursuant to various provisions of the Indenture, and of indentures supplemental thereto, at the redemption prices hereinafter stated, on notice given in the manner and with the effect provided in this Section 2 and in Article IV of the Indenture.

The redemption prices of Bonds of Twelfth Series redeemed at the option of the Company shall be, except as hereinafter otherwise provided, the percentages of the principal amount thereof set forth in the following table under the heading "General Redemption Price." The redemption prices of Bonds of Twelfth Series redeemed pursuant to the replacement fund provisions of Article III of this Twelfth Supplemental Indenture or by the application (whether at the direction of the Company or otherwise), pursuant to Section 8.02 of the Indenture, of cash included in the trust estate, other than cash