

or be otherwise distinguished; or, if any such original Bond or coupon shall have matured, instead of issuing a substituted Bond or coupon the Company may pay the same without surrender thereof. In case of the mutilation or defacement of a Bond or its coupon or coupons the applicant for such payment or substitution shall surrender such Bond with appurtenant coupons, if any, and, if required by the Company or the Trustee, shall furnish indemnity to the extent hereinafter provided with respect to lost Bonds. In case of loss or destruction the applicant for such payment or substitution shall furnish to the Company and the Trustee evidence satisfactory to them in their discretion of the ownership and authenticity of the original Bond or coupon, and of the loss or destruction thereof, and also a bond of indemnity with such surety as the Board of Directors may authorize, or cause the officers of the Company to authorize, in a sum deemed by the Company and the Trustee sufficient to cover all risk, however remote, and conditioned against any loss, cost, damage or expense in such connection as the Company and the Trustee may request. Any indemnity bond shall name as obligees, the Company, the Trustee, and, if requested by the Company, any fiscal agent or Registrar. The Trustee may authenticate any such substituted Bonds and deliver the same with any appurtenant coupons, or the Trustee or any fiscal agent of the Company may make any such payment, upon the written request or authorization of the Treasurer or an Assistant Treasurer of the Company. All Bonds and coupons shall be held and owned upon the express condition that the foregoing provisions are exclusive in respect of the replacement or payment of mutilated, defaced, lost, or destroyed Bonds and coupons, and shall preclude any and all other rights or remedies, any law or statute now existing or hereafter enacted respecting such replacement or the payment of notes, bonds,

coupons, negotiable instruments or other securities without their surrender to the contrary notwithstanding. The applicant for any substituted Bond, or any such payment, shall, if required by the Company, as a condition precedent to the issuance of any such substituted Bond, or any such payment, pay all expenses, including counsel fees, incurred by the Company or the Trustee in connection therewith.

Any such duplicate Bonds or coupons issued pursuant to this § 2.11 shall be entitled to equal and proportionate benefits with all other Bonds and coupons issued hereunder in any moneys or property at any time held by the Trustee for the benefit of the bondholders, subject, however, to the provisions of § 10.31.

The provisions of this § 2.11 shall not, however, be construed as requiring the Company to treat both the original and duplicate Bonds as outstanding hereunder for the purpose of determining the principal amount of Bonds which may be issued within any limitation as to principal amount herein or hereafter fixed or any percentage of the principal amount of Bonds outstanding hereunder or the amount of Bonds issued under this Indenture for the purpose of any sinking fund.

§ 2.12. *Status of Bonds Held by Company.* Whenever any Bonds shall have been authenticated and delivered to or on the application of the Company by the Trustee, the Company may issue such Bonds or any thereof by selling, pledging or otherwise negotiating the same upon such terms as may be authorized or approved from time to time by its Board of Directors; provided that no Bonds shall be deemed to be issued hereunder or be entitled to the lien and security hereof until such Bonds shall have been so issued by the Company. The Company may reacquire any of the Bonds so issued by it and may reissue any

of the Bonds so reacquired (including a Bond issued by way of pledge or for other limited purposes and thereafter returned to the Company) under the lien and security of this Indenture; but until the same shall have been so reissued by the Company, the Bonds so reacquired shall not be deemed to be issued under this Indenture (except for refunding as provided in § 3.04) or be entitled to the lien or security thereof. The Company, however, shall not reissue any Bond which is required by any other provision of this Indenture to be cancelled by the Trustee. The Trustee may, subject to § 16.02 and § 16.03, conclusively rely upon a certificate of the Company as to the acquisition and reissue of any Bonds by the Company pursuant to this § 2.12. Nothing in this § 2.12, however, is intended or shall be construed in such a way as to affect or impair the transferability of any of the Bonds or the negotiability of any of the coupon Bonds or as entitling the Company or any other party or parties to deny or contest the status as fully issued and outstanding hereunder and entitled to the benefits aforesaid of any Bond bearing the certificate of authentication of the Trustee, in the hands of any bona fide holder thereof other than the Company. No party to whom any of the Bonds may be sold, pledged or otherwise negotiated shall be required to make any investigation or inquiry as to the issue or reissue of any Bonds under the provisions of this § 2.12.

ARTICLE 3. ISSUE OF BONDS.

§ 3.01. *Initial Issue of Bonds.* One million two hundred fifty six thousand dollars (\$1,256,000) aggregate principal amount of the Bonds authorized to be issued under this Indenture, being Bonds designated as First Mortgage 2½% Twenty-five Year Bonds, Series A, shall be executed by the Company and delivered to the Trustee for authentication and as soon as may be after the execution of this

Indenture, either before or after the filing and recording hereof, and, without any further action on the part of the Company, shall be authenticated and delivered by the Trustee as directed in a written request of the Company, on the basis of the properties owned by the Company on September 1, 1946, and the Bonds so authenticated and delivered may be used by the Company for any of its lawful corporate purposes.

§ 3.02. *General Provisions for Issuance of Additional Bonds.* In addition to the Bonds issuable under § 3.01, the Company may, unless at the time it is in default in the payment of interest on any of the Bonds outstanding or an event of default exists, at any time or from time to time, execute and deliver to the Trustee, and thereupon the Trustee shall authenticate and deliver in accordance with the application of the Company hereinafter by this § 3.02 required, additional Bonds of Series A and/or Bonds of any other series duly established pursuant to § 2.03, in such principal amount as shall be determined by the Board of Directors of the Company, upon the bases permitted by and upon compliance by the Company with, the provisions of § 3.03 (against a net amount of additional property), § 3.04 (for refunding Bonds and/or refundable debt, and/or § 3.05 (against the deposit of cash).

Before the Trustee shall authenticate and deliver any such Bonds (hereinafter sometimes referred to as Bonds applied for) it shall be furnished with the following documents which, together with the documents and other things required to be furnished pursuant to § 3.03, § 3.04 and/or § 3.05 as the case may be, the Trustee may accept as full compliance by the Company with the provisions of this § 3.02, namely:

(a) An application of the Company for the authentication and delivery of such Bonds and setting forth (in addition to any statements required by § 3.03, § 3.04 and/or § 3.05)