

out one or more coupons and of any denomination or denominations, in bearer form, registrable or not registrable, as to principal, in registered form, which shall be substantially in the form of the definitive Bonds of such series, but with any omissions, insertions and variations appropriate for temporary Bonds, all as authorized by the Board of Directors and as provided in the written order of the Company for the authentication and delivery thereof. Every such temporary Bond shall be authenticated by the Corporate Trustee upon the same conditions and in substantially the same manner, and with like effect, as the definitive Bonds. When definitive Bonds of any series are prepared and ready for delivery, the temporary Bonds of such series may be surrendered in exchange therefor, and the Corporate Trustee shall authenticate and deliver in exchange therefor, without expense to the holder, an equal aggregate principal amount of definitive Bonds of the same series and maturity. Until so exchanged, the temporary Bonds shall in all respects be entitled to the same benefit and security of the Mortgage as definitive Bonds authenticated and delivered hereunder. Interest, when and as payable upon temporary Bonds without coupons in bearer form and not registered as to principal shall be paid only upon presentation thereof for notation thereon of such payment.

When temporary Bonds of any series are authenticated and delivered, the Company will cause definitive Bonds of such series to be prepared without unreasonable delay.

SECTION 7. In case any temporary or definitive Bond and any coupons appertaining thereto shall become mutilated or be destroyed, lost or stolen, the Company in its discretion may execute, and upon the written request of the Company, signed by its President or a Vice President, the Corporate Trustee may authenticate and deliver, a new Bond (with coupons

corresponding to the coupons, if any, appertaining to the mutilated, destroyed, lost or stolen Bond) of the same series and maturity and of like tenor, in exchange and substitution for the mutilated Bond and its coupons, if any, or in lieu of and substitution for the Bond and its coupons, if any, so destroyed, lost or stolen, or, if any such Bond or any coupon shall have matured or shall be about to mature or shall have been called for redemption; instead of issuing a substituted Bond or coupon the Company may pay the same without surrender thereof. In case of destruction, loss or theft of any Bond or coupon, the applicant for a substituted Bond or for such payment shall furnish to the Company, to the Corporate Trustee and to any paying agent of the Company, in their discretion, evidence to their satisfaction of the destruction, loss or theft of such Bond and its coupons, if any, and of the ownership thereof, and also such security or indemnity as may be required by the Company, the Corporate Trustee and such paying agent to save each of them harmless. The Corporate Trustee may authenticate any such substituted Bond and deliver the same with appertaining coupons, if any, or the Corporate Trustee or any paying agent of the Company may make any such payment, upon the written request or authorization of the Company, signed by its President or a Vice President, and shall incur no liability to anyone by reason of anything done or omitted to be done by it in good faith under the provisions of this Section 7. Upon the issue of any substituted Bond, the Company may require the payment of a sum sufficient to cover any tax or taxes or other governmental charge and any other expense connected therewith, and also a further sum not exceeding \$2.00 for each Bond so issued in substitution.

Notwithstanding any limitations contained in the Mortgage, any Bonds and coupons issued under the provisions of this Section 7 shall constitute original contractual obligations, in

accordance with their terms, on the part of the Company, and shall be equally and proportionately entitled to the benefit and security of the Mortgage with all other Bonds and coupons issued under the Mortgage, in accordance with the terms thereof.

SECTION 8. Except as otherwise provided in the Mortgage, all Bonds (including appurtenant coupons, if any) surrendered for the purpose of payment, redemption, exchange or transfer shall either be surrendered to the Company or any paying agent and by it delivered to the Corporate Trustee, or be surrendered to the Corporate Trustee, and shall be cancelled by the Corporate Trustee as and when so delivered or surrendered to it, and no Bonds or appurtenant coupons shall be issued under the Mortgage in lieu of Bonds or appurtenant coupons so surrendered except as expressly permitted by any of the provisions of the Mortgage. All coupons surrendered to the Company or any paying agent for the purpose of payment shall be cancelled and delivered to the Corporate Trustee.

The Corporate Trustee shall make appropriate notations in its records in respect of all Bonds and appurtenant coupons cancelled as aforesaid, shall create all such cancelled coupon Bonds not registered as to principal and all cancelled coupons, and shall, at the direction of the Company, create all such cancelled coupon Bonds registered as to principal and registered Bonds without coupons, and shall deliver a certificate of any such creation to the Company.

Subject to the provisions of Article XI, if the Company shall acquire any of the Bonds otherwise than as aforesaid, such acquisition shall not operate as a redemption or satisfaction of the indebtedness represented by such Bonds unless and until the same are surrendered to the Corporate Trustee for cancellation.

ARTICLE III ISSUANCE OF BONDS

SECTION 1. Upon the execution and delivery of the Mortgage, and whether before or after the recording of the Mortgage, Bonds of Series A in the aggregate principal amount of Eighty Million Dollars (\$80,000,000) may be executed by the Company and shall be authenticated by the Corporate Trustee and delivered to or upon the written order of the Company, signed by its President or a Vice President, without any further action on the part of the Company.

No Bonds other than those authenticated and delivered pursuant to this Section 1 shall be authenticated or delivered by the Corporate Trustee pursuant to the provisions of this Article III at any time when an Event of Default shall have occurred and be continuing.

SECTION 2. From time to time and in the manner provided in this Section 2, Bonds of one or more series, other than Series A and series created for the purpose of Section 3 of this Article III, may be executed by the Company and shall be authenticated by the Corporate Trustee and delivered to or upon the written order of the Company, signed by its President or a Vice President, for or on account of Additions and Betterments acquired or constructed during a period beginning not more than 60 months prior to the date of an Application for the authentication of such Bonds; provided, however, (i) that the principal amount of such Bonds shall not exceed 75% of the Net Cost of such Additions and Betterments, (ii) that no Bonds shall be authenticated and delivered on the basis of Additions and Betterments that have theretofore been Bonded or in a principal amount which when added