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nature appertaining to and/or used and/or occupied and/or enjoyed in connection with any property hereinbefore or in the Mortgage described.

Together with all and singular the tenements, hereditaments and appurtenances belonging or in any wise appertaining to the aforesaid property or any part thereof, with the reversion and reversions, remainder and remainders and (subject to the provisions of Section 57 of the Mortgage), the tolls, rents, revenues, issues, earnings, income, product and profits thereof, and all the estate, right, title and interest and claim whatsoever, at law as well as in equity, which the Company now has or may hereafter acquire in and to the aforesaid property and franchises and every part and parcel thereof.

It is hereby agreed by the Company that, subject to the provisions of Section 87 of the Mortgage, all the property, rights, and franchises acquired by the Company after the date hereof (except any herein or in the Mortgage expressly excepted) shall be and are as fully granted and conveyed hereby and as fully embraced within the lien hereof and the lien of the Mortgage, as if such property, rights and franchises were now owned by the Company and were specifically described herein and conveyed hereby.

Provided that the following are not and are not intended to be now or hereafter granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed hereunder and are hereby expressly excepted from the lien and operation of this First Supplemental Indenture and from the lien and operation of the Mortgage, viz.: (1) cash, shares of stock and obligations (including bonds, notes and other securities) not hereafter specifically pledged, paid, deposited or delivered under the Mortgage or covenanted so to be; (2) merchandise, equipment, materials or supplies held for the purpose of sale in the usual course of business and fuel, oil and similar materials and supplies consumable in the operation of any properties of the Company; rolling stock, buses, motor coaches, vehicles and auto-

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as Trustees, by the Mortgage as a part of the property therein stated to be conveyed.

The company further covenants and agrees to and with the Trustees and their successor or successors in such trust under the Mortgage, as follows:

#### ARTICLE I.

##### Second Series of Bonds.

SECTION 1. There shall be a series of bonds designated "3 $\frac{1}{8}$ % Series due 1979" (herein sometimes referred to as the "Second Series"), each of which shall also bear the descriptive title First Mortgage Bond, and the form thereof and of any appurtenant coupons, which shall be established by Resolution of the Board of Directors of the Company, shall contain suitable provisions with respect to the matters hereinafter in this Section specified. Bonds of the Second Series shall mature on January 1, 1979, and shall be issued as coupon bonds in the denomination of One Thousand Dollars, registerable as to principal, and as fully registered bonds in denominations of One Thousand Dollars and Ten Thousand Dollars and, at the option of the Company, in any multiple or multiples of One Thousand Dollars (the exercise of such option to be evidenced by the execution and delivery thereof); they shall bear interest at the rate of three and one-eighth percentum (3 $\frac{1}{8}$ %) per annum, payable semi-annually on July 1 and January 1 of each year; the principal of and interest on each said bond to be payable at the office or agency of the Company in the Borough of Manhattan, The City of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts. Coupon bonds of the Second Series shall be dated as of January 1, 1949, and fully registered bonds of the Second Series shall be dated as in Section 10 of the Mortgage provided.

(I) Bonds of the Second Series shall be redeemable at the option of the Company in whole at any time, or in part from time to time,

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mobiles; (3) bills, notes and accounts receivable, and all contracts, leases and operating agreements not specifically pledged under the Mortgage or this First Supplemental Indenture or covenanted so to be; and (4) electric energy and other materials or products generated, manufactured, produced or purchased by the Company for sale, distribution or use in the ordinary course of its business; provided, however, that the property and rights expressly excepted from the lien and operation of the Mortgage and this First Supplemental Indenture in the above subdivisions (2) and (3) shall (to the extent permitted by law) cease to be so excepted in the event and as of the date that either or both of the Trustees or a receiver or trustee shall enter upon and take possession of the Mortgaged and Pledged Property in the manner provided in Article XII of the Mortgage by reason of the occurrence of a Default as defined in said Article XII.

To have and to hold all such properties, real, personal and mixed, granted, bargained, sold, released, conveyed, assigned, transferred, mortgaged, pledged, set over or confirmed by the Company as aforesaid, or intended so to be, unto the Trustees, their successors and assigns forever.

In trust nevertheless, for the same purposes and upon the same terms, trusts and conditions and subject to and with the same provisos and covenants as are set forth in the Mortgage, this First Supplemental Indenture being supplemental thereto.

And it is hereby covenanted by the Company that all the terms, conditions, provisos, covenants and provisions contained in the Mortgage shall affect and apply to the property hereinbefore described and conveyed and to the estate, rights, obligations and duties of the Company and Trustees and the beneficiaries of the trust with respect to said property, and to the Trustees and their successors as Trustees of said property in the same manner and with the same effect as if the said property had been owned by the Company at the time of the execution of the Mortgage, and had been specifically and at length described in and conveyed to Irving Trust Company and Richard H. West,

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prior to maturity, upon notice published as provided in Section 52 of the Mortgage, in one Daily Newspaper printed in the English language and of general circulation in the Borough of Manhattan, The City of New York, at least four (4) times before the date fixed for redemption, unless notice by publication shall not be required as provided in Section 52 of the Mortgage in which event notice shall be given by mailing, the first publication, or notice by mailing, as the case may be, to be at least thirty (30) days and not more than ninety (90) days prior to the date fixed for redemption, at the following general redemption prices, expressed in percentages of the principal amount of the bonds to be redeemed:

#### GENERAL REDEMPTION PRICES

If redeemed during 12 months period ending December 31,

1949.....	105.56%	1959.....	104.21%	1969.....	102.39%
1950.....	105.46%	1960.....	104.05%	1970.....	102.18%
1951.....	105.34%	1961.....	103.89%	1971.....	101.96%
1952.....	105.21%	1962.....	103.72%	1972.....	101.74%
1953.....	105.08%	1963.....	103.55%	1973.....	101.52%
1954.....	104.95%	1964.....	103.37%	1974.....	101.29%
1955.....	104.81%	1965.....	103.19%	1975.....	101.00%
1956.....	104.67%	1966.....	103.00%	1976.....	100.70%
1957.....	104.52%	1967.....	102.81%	1977.....	100.41%
1958.....	104.37%	1968.....	102.60%	1978.....	100.11%

in each case, together with accrued interest to the date fixed for redemption.

(II) Bonds of the Second Series shall also be redeemable in whole at any time, or in part from time to time, prior to maturity, upon like notice, either at the option of the Company by the application of cash deposited with the Corporate Trustee pursuant to any of the provisions of Section 38 or Section 39 of the Mortgage or of Section 3 hereof, provided that the date fixed for such redemption shall not