

And it is hereby covenanted and declared and agreed by and between the parties hereto that all the Bonds and coupons are to be issued, authenticated and delivered and that all the trust estate is to be held and applied subject to the further covenants, conditions, uses and trusts in the Indenture set forth; and the Company, for itself and its successors, does hereby covenant and agree to and with the Trustee and its successors in said trust for the benefit of those who shall hold the Bonds and coupons, or any of them, as follows:

ARTICLE I.

FORM AND REGISTRATION OF THE BONDS OF THE 1985 SERIES.

SECTION 1.01. There is hereby created, for issuance under the Indenture and to be secured thereby, a series of Bonds to be designated "First Mortgage Bonds, 5 $\frac{3}{4}$ % Series due 1985" (being the Bonds of the 1985 Series herein referred to). The Bonds of the 1985 Series shall be substantially in the forms set forth in the recitals herein and shall be executed, authenticated and delivered in accordance with the provisions of, and shall in all respects be subject to all of the terms, conditions and covenants of the Indenture. The Bonds of the 1985 Series shall be registered Bonds without coupons, or coupon Bonds payable to bearer and with the privilege of registration as to principal, or both. The aggregate principal amount of Bonds of the 1985 Series which may be executed by the Company and authenticated by the Trustee shall be limited to \$6,000,000 principal amount, except as provided in Articles 2 (other than § 2.01) and 4 of the Indenture, and Article I hereof.

SECTION 1.02. The coupon Bonds of the 1985 Series shall be dated as of May 1, 1960, and the registered Bonds of the 1985 Series shall (subject to the provisions of § 2.10 and § 2.13 of the Indenture) be dated as provided in § 2.06 of the Indenture. All Bonds of the 1985 Series shall mature on May 1, 1985 and shall bear interest at the rate of five and three-quarters per centum (5 $\frac{3}{4}$ %) per annum, payable semi-annually on the first day of November and on the first day of May

in each year until payment of the principal thereof becomes due and payable, whether at stated maturity, by declaration or otherwise, and thereafter if default be made in the payment of such principal, at the rate of six per centum (6%) per annum, until the principal thereof shall be paid, but at or prior to maturity in the case of coupon Bonds only upon surrender of the respective coupons attached thereto as they severally mature. Any overdue installment of interest on the Bonds of the 1985 Series shall bear interest at the rate of six per centum (6%) per annum to the extent that payment of such interest on overdue interest is enforceable under applicable law. Bonds of the 1985 Series in definitive form may be engraved or printed or lithographed on steel-engraved borders, as the Board of Directors may determine.

The date of commencement of the first interest period for the Bonds of the 1985 Series shall be the date specified in Section 7.06.

SECTION 1.03. The Bonds of the 1985 Series shall be coupon Bonds registrable as to principal, of the denomination of \$1,000 each, numbered consecutively from M1 upward, and registered Bonds, without coupons, of the denomination of \$1,000 or any multiple thereof, bearing appropriate serial numbers. Coupon Bonds of the 1985 Series may be exchanged, upon surrender thereof, with all unmatured coupons attached, at the principal office of the Trustee, for a registered Bond or registered Bonds of the 1985 Series without coupons, of authorized denominations, for the same aggregate principal amount; registered Bonds of the 1985 Series without coupons may be exchanged, upon surrender thereof at said office, for one or more such registered Bonds of the 1985 Series without coupons for the same aggregate principal amount, of other authorized denominations; registered Bonds of the 1985 Series without coupons may be exchanged, upon surrender thereof at said office for a coupon Bond or Bonds of the 1985 Series for the same aggregate principal amount, with coupons representing interest from the next preceding interest payment date to which interest was paid. All such exchanges shall be made upon payment of charges and subject to the terms and conditions set forth in Article 2 of the Indenture.