

Refunding Mortgage Bonds, 11% Series Due 1994 (herein called "bonds of the 1994 Series"), and the Company hereby establishes, determines and fixes the terms and provisions of the bonds of the 1994 Series as hereinafter in this Part One set forth.

Each bond of the 1994 Series shall be dated the date of its authentication (except that if any such bond shall be authenticated on any interest payment date, it shall be dated the following day) and interest shall be payable on the principal represented thereby from the January 1 or July 1, as the case may be, next preceding the date thereof to which interest has been paid; provided, however, that any bonds of the 1994 Series issued on original issuance, and any bonds issued in exchange therefor or in lieu thereof prior to the interest payment date next succeeding the date of such original issuance, shall bear interest from such date of original issuance and provided, further, that interest shall be payable on each bond of the 1994 Series authenticated after the record date (as defined in the next succeeding paragraph of this Section 1) with respect to any interest payment date and prior to such interest payment date, only from such interest payment date.

Interest on any bond of the 1994 Series shall be paid to the person who, according to the bond register of the Company, is the registered holder of such bond of the 1994 Series at the close of business on the applicable record date, and such interest payments shall be made by check mailed to such registered holder (subject, however, to Section 6 hereof) at his address shown on such bond register; provided, however, that if the Company shall default in the payment of the interest due on any interest payment date on any bond of the 1994 Series, such defaulted interest shall be paid to the registered holder of such bond (or any bond or bonds of the 1994 Series issued upon transfer or exchange thereof) on the date of subsequent payment of such defaulted interest or, at the election of the Company, to the person in whose name such bond (or any bond or bonds of the 1994 Series issued upon transfer or exchange thereof) is registered on a subsequent record date established by notice given by mail by or on behalf of the Company to the holders of all bonds of the 1994 Series not less than ten (10) days preceding such subsequent record date. The term "record date" as used in this Section 1 shall mean, with respect to any semi-annual interest payment date, the close of business on the June 15 or December 15, as the case may be, next preceding such interest payment date or, in the