

recitals hereto, and no Bonds shall be secured hereby or entitled to the benefit hereof, or shall be or become valid or obligatory for any purpose unless there shall be endorsed thereon an authentication certificate, substantially in the form set forth in the recitals hereto, executed by the Corporate Trustee; and such certificate on any Bond issued by the Company shall be conclusive evidence and the only competent evidence that it has been duly authenticated and delivered hereunder.

Section 2.10. All Bonds surrendered for payment, redemption, transfer, exchange or conversion shall, if surrendered to any person other than the Corporate Trustee, be delivered to the Corporate Trustee and, if not already cancelled, shall be promptly cancelled by it. The Company may at any time deliver to the Corporate Trustee for cancellation any Bonds previously authenticated and delivered hereunder, which the Company may have acquired in any manner whatsoever, and all Bonds so delivered shall be promptly cancelled by the Corporate Trustee. No Bonds shall be authenticated in lieu of or in exchange for any Bonds cancelled as provided in this Section 2.10, except as expressly permitted by this Indenture. The Corporate Trustee shall destroy all cancelled Bonds held by it and deliver a certificate of destruction to the Company.

ARTICLE 3.

The Bonds.

Section 3.01. The Bonds to be executed, authenticated and delivered under and secured by this Indenture shall have the following terms and provisions:

(A) The Bonds shall be designated as "10% First Mortgage Bonds due 1994" of the Company. The Bonds and the Corporate Trustee's authentication certificate to be endorsed on the Bonds shall be substantially in the respective forms thereof set forth in the recitals hereto. The Bonds 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, this Indenture.

(B) The aggregate principal amount of the Bonds which may be executed by the Company and authenticated and delivered by the Corporate Trustee hereunder shall be limited to \$10,000,000 principal amount, except as provided in Sections 2.05, 2.06, 2.08, 9.05 and 19.05 hereof.

(C) Each of the Bonds shall be dated as the date of authentication thereof by the Corporate Trustee; provided, however, that, in the case of issuance under Section 4.01 hereof, such authentication date shall be the date specified in a Company Order delivered to the Corporate Trustee pursuant to such Section 4.01. The Stated Maturity of the Bonds shall be July 1, 1994. The Bonds shall bear interest on the unpaid principal amount of the Bonds at the rate set forth in their title, payable semi-annually on January 1 and July 1 of

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