

by law to borrow money for their lawful corporate purposes and to issue their obligations for moneys so borrowed, and to mortgage and pledge their property for their lawful corporate purposes ; and

WHEREAS, the Company has deemed it necessary to borrow money for its corporate purposes and to issue its bonds therefor, and to mortgage and pledge, in the form of this Indenture, its property hereinafter described to secure the payment of said bonds and to that end has duly authorized and directed the issuance of its bonds as in this Indenture hereinafter provided and the mortgaging and pledging of its property hereinafter described to secure the payment of said bonds; and

WHEREAS, the Company is the owner of substantially all of the authorized and outstanding capital stock of the Subsidiary Mortgagor Companies; and

WHEREAS, the Subsidiary Mortgagor Companies, for the purpose of effecting their proper corporate financing which singly each would be unable to do but which collectively is made possible through the execution of this Indenture by virtue of an agreement made by them with the Company for providing for their proper corporate financial needs out of the proceeds of the issuance of said bonds, have authorized and directed the mortgaging and pledging of their property hereinafter described to secure the payment of said bonds; and

WHEREAS, the bonds to be issued hereunder ( hereinafter called the Bonds) are to be issued in series, those of each particular series to be substantially identical with one another in tenor, to bear interest at such rate or rates to mature on such date or dates, and to contain such other specifications and provisions as are hereafter in this Indenture provided or permitted, and the Bonds of each series to be designated by such distinctive name as may, consistently with the provisions hereof, be deemed appropriate by the Board of Directors of the Company; and

WHEREAS, the Bonds of the initial series, to be known as the First and Refunding Convertible Fifteen Year 7½% Gold Bonds, Series "A", of the Company ( hereinafter called the Bonds of Series "A"), the coupons to be annexed thereto, and the Trustee's certificate to be endorsed thereon, are to be substantially in the forms following, respectively, with appropriate insertions, omissions and variations as in this Indenture provided, to wit:

( FORM OF COUPON BOND )

No.....

\$.....

UNITED STATES OF AMERICA

STATE OF DELAWARE

EMPIRE GAS AND FUEL COMPANY

FIRST AND REFUNDING CONVERTIBLE FIFTEEN YEAR 7½%

GOLD BOND

SERIES "A".

EMPIRE GAS AND FUEL COMPANY, a corporation of the State of Delaware ( hereinafter called the Company, which term shall include any successor corporation as defined in the Indenture hereinafter referred to), for value received, hereby promises to pay to the bearer hereof, or, if this Bond be registered, to the registered holder hereof, on May 1, 1927 ( unless before that date this Bond shall have been redeemed in accordance with the provisions hereof) at the principal office of the Trustee, hereinafter mentioned or its successor as Trustee, in the Borough of Manhattan in the City and State of New York,

Dollars in gold coin of the United States of America, of, or equal to, the standard of