

ARTICLE I.

FORM, EXECUTION, REGISTRATION and INTERCHANGE OF BONDS.

Section 1. The Principal amount of bonds at any time issued and outstanding hereunder shall not exceed the sum of Twenty Five Million Dollars (\$25,000,000).

Section 2. The bonds shall be issued from time to time in any number of different series, as the Board of Directors of the Company may determine. The Bonds of each series (excepting Series A, the bonds of which shall be as hereinafter provided) shall (a) bear such date (b) be payable on such date, or, in case of serial maturities, on such dates, and at such place or places; (c) bear interest at such rate, payable at such time or times and at such place or places; (d) bear such designation or title herein provided for (e) contain such provisions, if any, with respect to tax exemptions, tax reimbursement, redemption, sinking fund, conversion into stock or other securities of the Company, limitation of the aggregate principal amount of bonds of such series to be issued, and/or other characteristics not in conflict with the terms of this Mortgage, as the Board of Directors shall determine with respect to the bonds of such series, prior to the authentication of any bonds thereof.

The principal and interest of the bonds of any series may be made payable without deduction, so far as the same may not be prohibited by law, for taxes, payable thereon or deductible therefrom, to any extent that shall be determined by resolution of the Board of Directors of the Company prior to the authentication of any bonds of such series, and shall be expressed in such bonds; and the bonds of any series may also provide for the reimbursement of the holders thereof for taxes paid by such holders in respect of the bonds of such series to any extent that shall in the same manner be determined by the Board of Directors of the Company.

The bonds of any series may be made redeemable before maturity at the option of the Company, in the manner hereinafter provided, in whole or in part, and at such time, or from time to time, and at such price or prices as shall in the same manner be determined by the Board of Directors of the Company, and shall be expressed in the bonds of such series.

The bonds of any series may be made convertible into capital stock or other securities of the Company or ^{of} any successor corporation, upon such terms and conditions and during such periods as shall be determined by the Board of Directors of the Company prior to the authentication of any bonds of such series, and shall be expressed in such bonds.

The bonds of each series shall be in the English Language, and shall be designated by a distinguishing letter or letters of the English Alphabet. All bonds of any one series at any one time simultaneously outstanding shall be identical in tenor and effect, except that the same may be of different denominations, may consist in part of coupon bonds and in part of registered bonds without coupons; and may, in cases of serial maturities, be of different maturity dates, and may contain such variations in tenor and effect as are incidental to such differences in denomination, form and maturities. All coupon bonds of any one series, when ever issued, shall bear the same date. Each registered bond without coupons shall be dated as of the date of the interest payment day thereof next preceding the date of issue, unless issued on an interest payment day, in which event it shall be dated as of the date of issue and shall bear interest from the date thereof.

Section. 3. Except as hereinafter provided each bond to be issued hereunder shall be designated "First and Refunding Mortgage Gold Bond, Series _____" of the Company. There may, however, be inserted upon all bonds of any particular series, between the words "First and Refunding Mortgage" and the words "Gold Bond, Series _____" such additional appropriate description as the Board of Directors of the Company may determine.