

ties, bills, notes or accounts receivable shall immediately become subject to the lien hereof to the extent permitted by law; or (2) to any shares of stock, bonds, evidences of indebtedness, or other securities unless hereafter specifically pledged hereunder; and nothing in this Indenture expressed or implied is intended, or shall be construed, to limit the right of the Company to consolidate with, merge into or convey the mortgaged property as a whole or substantially as a whole to, or to merge into the Company, or to acquire the property as a whole, or substantially as a whole of, another corporation without the property of such other corporation becoming subject to the lien of this Indenture, the property of the Company prior to such consolidation, merger, conveyance or acquisition to remain subject to the continuing lien of this Indenture, all as more fully provided and with the exceptions set forth in Article Fourteen hereof.

TO HAVE AND TO HOLD the premises, railroads, rights, franchises, estates, appurtenances, leaseholds, and other property, real or personal (hereinafter sometimes referred to collectively as the "mortgaged property" or the "trust estate"), hereby conveyed or assigned, or intended to be conveyed or assigned, or which may be conveyed or assigned by indentures supplemental hereto, unto the Trustee, its successor or successors in trust and assigns forever;

BUT IN TRUST, NEVERTHELESS, for the equal and proportionate benefit and security of all the present and future holders of the Bonds issued by the Company and authenticated by the Trustee under this Indenture, and for the enforcement of the payment of said Bonds and appurtenant coupons when payable, and the performance of and compliance with the covenants and conditions of this Indenture, without preference, priority or distinction as to lien or otherwise of any one Bond over any other Bond by reason of priority in the issue or negotiation thereof or otherwise, so that, except as in this Indenture otherwise provided, each and every Bond issued and authenticated as aforesaid shall have the same right, lien and privilege under this Indenture, and so that, subject to the terms hereof, the principal of, premium if any, and interest upon every such Bond shall be equally and proportionately secured hereby, as if all such Bonds at any time outstanding had been made, executed, delivered and negotiated simultaneously with the execution and delivery of this Indenture; and it is hereby covenanted and declared that all such Bonds, with the coupons for interest thereon, are to be issued, authenticated and delivered, and that the trust estate is to be held by the Trustee, upon and subject to the following covenants, conditions, uses and trusts; and it is agreed and covenanted by the Company with the Trustee and the respective holders from time to time of Bonds hereby secured, as follows, namely:

ARTICLE ONE.

Form, Execution and Registry of Bonds.

SECTION 1. The aggregate principal amount of Bonds which may be issued under this Indenture is limited to Fifteen Million Dollars (\$15,000,000), except for Bonds issued in lieu of lost, stolen or destroyed Bonds.

The Bonds to be issued under this Indenture, together with the interest coupons appertaining thereto, shall be substantially of the tenor and purport above set forth, with appropriate insertions, omissions, substitutions and variations in all respects as required or permitted by the

terms of this Indenture. Said Bonds shall be designated, generally, as the Company's "First Mortgage 3 $\frac{3}{4}$ % Bonds". The coupon Bonds and the registered Bonds without coupons shall also be distinguished by appropriate letters and numbers, all in accordance with such plan as may be adopted by the Company and be approved by the Trustee. Bonds may be issued originally either as coupon Bonds or as registered Bonds without coupons. The coupon Bonds and the registered Bonds without coupons and the several denominations of the registered Bonds without coupons shall be interchangeable at the option of the respective holders thereof as hereinafter in Section 3 of this Article provided. The coupon Bonds are issuable in the denomination of \$1,000. The registered Bonds without coupons may be of the denomination of \$1,000, or of such multiples of \$1,000 as the Board of Directors of the Company may by resolution from time to time authorize. All Bonds shall be similar in tenor, and may be in coupon or fully registered form, or both, and if in fully registered form may be dated on and bear interest from different dates.

The Bonds shall be dated November 1, 1943 (except that registered Bonds shall be dated as provided in this Section); shall mature November 1, 1963; shall bear interest at the rate of 3 $\frac{3}{4}$ % per annum, payable semi-annually on May 1 and November 1 in each year; shall be payable both as to principal and interest at the office or agency of the Company, in the Borough of Manhattan, the City of New York, State of New York, in such coin or currency of the United States of America as at the time of payment is legal tender for public and private debts; shall be redeemable before maturity at the option of the Company at any time as a whole, or in part, on any interest payment date, all upon the notice and in the manner provided in Article Five hereof at redemption prices which shall be the following percentages of their principal amount: To and including November 1, 1946, at 104 $\frac{1}{8}$ %; thereafter, to and including November 1, 1949, at 103 $\frac{1}{4}$ %; thereafter, to and including November 1, 1952, at 102 $\frac{1}{2}$ %; thereafter, to and including November 1, 1955, at 101 $\frac{5}{8}$ %; thereafter, to and including November 1, 1958, at 100 $\frac{7}{8}$ %; and thereafter at 100%; and shall be redeemable before maturity, in the same manner, on any May 1, for the purposes of the sinking fund provided for in Article Six hereof, at 102 $\frac{1}{8}$ % to and including May 1, 1948; thereafter, to and including May 1, 1953, at 101 $\frac{3}{8}$ %; thereafter, to and including May 1, 1958, at 100 $\frac{3}{4}$ %; and thereafter at 100%; in each case together with accrued interest on the principal amount thereof to the date fixed for redemption; shall be entitled to the benefits of the sinking fund provided in Article Six hereof; and generally shall be in the form set forth in the preambles hereof with such variations as are necessary clearly to set forth the provisions, rights and conditions herein established.

All Bonds issued under this Indenture shall be executed on behalf of the Company by its President or one of its Vice-Presidents, under the facsimile of its corporate seal attested by its Secretary or an Assistant Secretary, and shall be delivered to the Trustee for authentication by it; and thereupon, as provided in this Indenture and not otherwise, the Trustee shall authenticate and deliver such Bonds. No Bond and no coupon thereunto appertaining shall be valid or obligatory for any purpose or be secured by this Indenture or be entitled to any right or benefit hereunder, unless and until there shall have been inscribed upon such Bond by the Trustee a certificate of authentication substantially in the form hereinbefore recited.