

(1) First Mortgage Exchange Bonds, Series 1987

A series designated as "First Mortgage Exchange Bonds, 5 3/4% Series due 1987" (herein referred to as the "Series 1987 Bonds"), which shall be dated as of October 1, 1980, be due and payable May 1, 1987, and bear interest from the date thereof, at the rate of five and three-quarters per cent (5 3/4%) per annum payable semi-annually on the first day of November and the first day of May in each year until the principal thereof shall become due and payable, and thereafter if default be made in the payment of such principal, at the rate of six percent (6%) per annum until the principal thereof shall be paid. The Series 1987 Bonds authorized hereunder shall be limited to not in excess of One Million One Hundred Eighty Thousand Dollars (\$1,180,000) in aggregate principal amount. The Series 1987 Bonds shall be in substantially the form set forth in Exhibit A hereto and shall be subject to all the terms and provisions set forth therein. Series 1987 Bonds issued upon transfer or exchange for different denominations or in substitution for lost, stolen, destroyed or mutilated Series 1987 Bonds shall be dated the date to which interest was last paid.

The Company shall pay to the Trustee, as and for a sinking fund for the retirement of Series 1987 Bonds, at least two business days before May 1, 1981 and each May 1 thereafter to and including May 1, 1987 the sum in cash of One Hundred Thousand Dollars (\$100,000).

All cash received by the Trustee pursuant to this section as a sinking fund payment shall be held by the Trustee as part of the mortgaged property, and shall be applied by the Trustee to the redemption on May 1 in each year of outstanding Series 1987 Bonds, at a redemption price equal to the principal amount of Bonds to be redeemed but without