

AND IT IS HEREBY COVENANTED AND AGREED THAT THE BONDS ARE TO BE ISSUED, AUTHENTICATED AND DELIVERED, AND ALL PROPERTY, REAL PERSONAL AND MIXED, INTENDED TO BE CONVEYED HEREUNDER, IS CONVEYED AND IS TO BE HELD BY THE TRUSTEE SUBJECT TO THE FOLLOWING COVENANTS, CONDITIONS, USES AND TRUSTS:

ARTICLE FIRST

DESIGNATION, FORM, DENOMINATIONS, EXECUTION, AUTHENTICATION  
AND REGISTRATION OF BONDS

SECTION 1. THE BONDS TO BE ISSUED HEREUNDER SHALL BE DESIGNATED (EXCEPT AS HEREINAFTER PROVIDED) AS THE COMPANY'S "FIRST LIEN AND REFUNDING MORTGAGE GOLD BONDS" AND SHALL BE ISSUED IN SERIES, FROM TIME TO TIME, AS THE BOARD OF DIRECTORS OF THE COMPANY SHALL DETERMINE. THE BONDS OF EACH SERIES SHALL BE IN THE ENGLISH LANGUAGE, OR IN THE ENGLISH LANGUAGE AND ONE OR MORE FOREIGN LANGUAGES (IN WHICH LATTER CASE THE ENGLISH TEXT SHALL GOVERN THE CONSTRUCTION THEREOF FOR ALL PURPOSES); SHALL BE DESIGNATED BY ONE OR MORE DISTINGUISHING LETTERS OF THE ENGLISH ALPHABET; SHALL BE SUBSTANTIALLY IN THE FORM HEREINBEFORE RECITED FOR BONDS OF SERIES A, WITH SUCH MODIFICATIONS THEREOF AND ADDITIONS THERETO, AUTHORIZED OR PERMITTED BY THIS INDENTURE, AS, IN THE OPINION OF THE TRUSTEE AND OF THE BOARD OF DIRECTORS OF THE COMPANY AT THE TIME OF AUTHORIZING THE ORIGINAL ISSUE OF BONDS OF SUCH SERIES, MAY BE NECESSARY OR APPROPRIATE BY REASON OF THE TERMS UNDER WHICH THEY ARE ISSUED; SHALL BE ENTITLED TO THE BENEFITS OF THE SINKING FUND HEREINAFTER PROVIDED FOR IN ARTICLE FIFTH HEREOF; AND SHALL MATURE ON SUCH DATE, SHALL BE PAYABLE, AS TO PRINCIPAL AND INTEREST, IN SUCH COUNTRIES, IN SUCH CURRENCIES, AT SUCH <sup>FIXED</sup> RATES OF EXCHANGE AND AT SUCH PLACES, AND SHALL BEAR INTEREST AT SUCH RATE, PAYABLE, IN THE CASE OF BONDS OF EACH AND EVERY SERIES, SEMI-ANNUALLY ON MAY 1 AND NOVEMBER 1 IN EACH YEAR, AS SHALL BE DETERMINED BY THE BOARD OF DIRECTORS OF THE COMPANY AT THE TIME OF THE AUTHORIZATION OF THE ORIGINAL ISSUE OF THE BONDS OF THE SERIES; PROVIDED, THAT, AS TO BONDS PAYABLE AS TO EITHER PRINCIPAL OR INTEREST, OR BOTH PRINCIPAL AND INTEREST IN THE UNITED STATES OF AMERICA, SUCH PRINCIPAL OR INTEREST, OR BOTH, AS THE CASE MAY BE, MUST BE PAYABLE AT THE PRINCIPAL OFFICE OF THE TRUSTEE, IN THE BOROUGH OF MANHATTAN, CITY AND STATE OF NEW YORK, AND EITHER PRINCIPAL OR INTEREST, OR BOTH, MAY LIKEWISE BE PAYABLE, AT THE OPTION OF THE RESPECTIVE HOLDERS OF THE SAID BONDS, AT SUCH OTHER PLACE OR PLACES, IF ANY, AS THE COMPANY MAY DESIGNATE, WITH THE APPROVAL OF THE TRUSTEE.