

Bonds other than Series A Bonds in so far as the redemption thereof in the manner contemplated hereby is permitted by the indenture under which they are issued, on the next date at which such bonds may be redeemable for any sinking fund applicable thereto, but not earlier than the next September 1, at the applicable redemption price for the sinking fund for such bonds. In the event the Company directs the Corporate Trustee to apply all or any part of any Optional Use Payment to the redemption of Qualified Bonds other than Bonds issued under the Mortgage and the indenture under which such bonds are issued will permit it, the Corporate Trustee shall deliver such Optional Use Payment or part thereof to the trustee or sinking fund agent administering the sinking fund for such Qualified Bonds with instructions, which, if required, shall be joined in by the Company, to use the cash so delivered for the redemption of the Qualified Bonds for any sinking fund applicable thereto. The Corporate Trustee shall be entitled to a receipt for such cash from such trustee or sinking fund agent and shall have no further responsibility with respect thereto.

Any such amount of less than \$25,000 not so applied may be applied by the Corporate Trustee prior to the next sinking fund payment date to the purchase for the sinking fund of bonds upon the terms set forth in Section 2.02, and any part thereof not so applied prior to the next sinking fund payment date shall be added to the next sinking fund installment and together with said installment shall be applied in accordance with the provisions of this Article.

SECTION 2.04. Any Bonds issued under the Mortgage acquired through the operation of the sinking fund, together with appurtenant coupons, shall be cancelled by the Corporate Trustee, and no Bonds shall be issued in lieu thereof. The coupon Bonds and coupons shall be cremated by the Corporate Trustee, acting with the Company, and certificates of cremation delivered by the Corporate Trustee to the Company. The cancelled registered Bonds without coupons shall be returned by the Corporate Trustee to the Company. Other bonds