

time, or in part from time to time, at the optional redemption prices set forth in the forms of Bonds of the 1981 Series contained in the recitals hereto, together in each case with accrued interest to the redemption date. If less than the whole of a registered Bond of the 1981 Series without coupons be redeemed, the Trustee shall, upon presentation thereof for the purpose, make or cause to be made a notation thereon of the payment of the portion thereof so called for partial redemption, or shall authenticate and deliver a new registered Bond for the unredeemed portion thereof.

In case of redemption of a part only of the Bonds of the 1981 Series, except in the case of redemption of any Bonds for the sinking fund, the Company shall, at least forty-five (45) days prior to the redemption date (unless a shorter notice shall be accepted by the Trustee as sufficient), notify the Trustee of the principal amount of Bonds to be redeemed.

The selection of Bonds of the 1981 Series to be redeemed shall, in case less than all of the outstanding Bonds of the 1981 Series are to be redeemed, be made by the Trustee as follows:

The moneys deposited, or to be deposited, with the Trustee pursuant to § 4.03 of the Indenture upon such redemption shall be allocated as between (a) registered Bonds of the 1981 Series without coupons and (b) coupon Bonds of the 1981 Series, as near as may be. The moneys allocable to registered Bonds of the 1981 Series without coupons shall be applied to the partial redemption of such registered Bonds of the 1981 Series without coupons, registered in the name of each holder, pro rata, as near as may be. The moneys allocable to coupon Bonds of the 1981 Series shall be applied to the redemption of Bonds selected by lot from among all coupon Bonds of the 1981 Series theretofore authenticated and delivered and not previously cancelled by the Trustee or called for redemption, in any manner deemed by the Trustee to be fair and proper. The Trustee shall promptly notify the Company in writing of the distinctive numbers of the coupon Bonds so selected for redemption.

SECTION 3.02. The Bonds of the 1981 Series shall in the manner provided in Section 3.01 hereof and in Article 4 of the Indenture be subject to redemption, as provided in the last paragraph of § 7.02 of the Indenture, with money received by the Trustee as the proceeds of all

or any part of the mortgaged property taken through the power of eminent domain or sold pursuant to the exercise of any right of any municipal or governmental body or agency to purchase, or designate a purchaser of, or order the sale of such property, or sold in lieu thereof and in reasonable anticipation of such event, at the applicable redemption prices set forth in the forms of Bonds of the 1981 Series contained in the recitals hereto, together in each case with accrued interest to the redemption date.

SECTION 3.03. The Bonds of the 1981 Series shall in the manner provided in Section 3.01 hereof and in Article 4 of the Indenture be subject to redemption in part from time to time at the applicable redemption prices set forth in the forms of the Bonds of the 1981 Series contained in the recitals hereto, together in each case with accrued interest to the redemption date, through the operation of and for the purposes of the sinking fund provided therefor in Article IV hereof.

ARTICLE IV.

SINKING FUND FOR BONDS OF THE 1981 SERIES.

SECTION 4.01. As a sinking fund for the retirement of Bonds of the 1981 Series, the Company covenants that it will pay to the Trustee the following amounts on the following dates:

(a) On or before April 30, 1963 and on or before April 30th of each year thereafter to and including April 30, 1980, a sum sufficient to redeem on the next ensuing May 1st \$40,000 in principal amount of Bonds of the 1981 Series at the principal amount thereof, together in each case with accrued interest to the date fixed for redemption; and

(b) On or before October 31, 1963 and on or before October 31st of each year thereafter to and including October 31, 1980, a sum sufficient to redeem on the next ensuing November 1st \$40,000 in principal amount of Bonds of the 1981 Series at the principal amount thereof, together in each case with accrued interest to the date fixed for redemption.

The dates upon which payments are required for the sinking fund as above provided are hereinafter referred to as "sinking fund payment dates."