

PART TWO

REDEMPTION OF SERIES B BONDS—MANDATORY AND
OPTIONAL SINKING FUND

§ 2.01. (a) The Companies hereby reserve the right to redeem, at their option, the Series B Bonds, as a whole or from time to time in part, at the optional redemption prices specified in the form of Series B Bond hereinabove set forth and in accordance with the procedures upon redemption set forth therein and in Part Two of this Supplemental Indenture; provided, however, that no such redemption shall be effected prior to October 15, 1986 directly or indirectly from or in anticipation of moneys borrowed by or for the account of any of the Companies at an interest cost (calculated in accordance with generally accepted financial practice) of less than 8.52% per annum. In the case of any redemption pursuant to this § 2.01(a) prior to October 15, 1986, the Companies will deliver to the Trustee on or prior to the date fixed for redemption Officers' Certificates stating that such redemption will comply with the provisions of the proviso contained in the foregoing sentence of this § 2.01(a).

(b) The Series B Bonds may also be redeemed in part on October 15, 1982 and on each October 15 thereafter to and including October 15, 2000, through the operation of the sinking fund as set forth in § 2.04, at the sinking fund redemption price set forth in the form of Series B Bond hereinabove recited ("the sinking fund redemption price"), together with accrued interest to the date fixed for redemption.

§ 2.02. In case the Companies shall desire to exercise the right to redeem all, or, as the case may be, any part of the Series B Bonds pursuant to § 2.01(a), they shall fix a date for redemption and shall mail a notice of such redemption at least 30 days prior to the date fixed for redemption to the holders of Series B Bonds so to be redeemed as a whole or in part at their last addresses as the same appear on the Bond register. Such mailing shall be by first class mail. The notice if mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the holder receives such notice. Failure to give such notice by mail or any defect in the notice to the holder of any Series B Bond designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other Series B Bond.

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