

part of or in anticipation of any refunding operation involving the application, directly or indirectly, of borrowed funds having an interest rate or cost to the Company (calculated in accordance with generally accepted financial practice) of less than the interest rate of the bonds of the 1997 Series.

The bonds of the 1997 Series are also subject to redemption through the operation of the Replacement Fund provided in Part Two of this supplemental indenture or through the application of moneys paid to the Trustee pursuant to the provision of § 5.05 of the Indenture, at any time or from time to time prior to maturity, upon prior notice as hereinafter provided, at the redemption prices specified in the fifth paragraph of the form of bond set forth in this supplemental indenture, together with interest accrued thereon to the date fixed for redemption thereof.

All such redemptions of bonds of the 1997 Series shall be effected as provided in Article 3 of the Indenture except that in case a part only of the bonds of the 1997 Series is to be paid and redeemed, the particular bonds or part thereof shall be selected by the Trustee in such manner as the Trustee in its uncontrolled discretion shall determine to be fair and in any case where several bonds are registered in the same name, the Trustee may treat the aggregate principal amount so registered as if it were represented by one bond and except that when bonds are redeemed in part only the notice given to any particular holder need state only the principal amount of the bonds of that holder which are to be redeemed and except that notice to the holders of bonds to be redeemed shall be given by mailing to such holders a notice of such redemption, first class mail postage prepaid, not later than the thirtieth day, and not earlier than the sixtieth day, before the date fixed for redemption, at their last addresses as they shall appear upon the bond register of the Company. Any notice which is mailed in the manner herein provided shall be conclusively presumed to have been duly given, whether or not the holder receives such notice; and failure duly to give such notice by mail, or any defect in such notice, to the holder of any bond designated for redemption as a whole or in part shall not affect the validity of the proceedings for the redemption of any other bond. No publication of notice of such redemption shall be required.

SECTION 5. The aggregate principal amount of the bonds of the 1997 Series shall be unlimited.