

to and including February 28, 1962, at 103% ; thereafter
to and including February 28, 1965, at 102½% ; thereafter
to and including February 29, 1968, at 102% ; thereafter
to and including February 28, 1971, at 101½% ; thereafter
to and including February 28, 1974, at 101% ; thereafter
to and including February 28, 1977, at 100½% ; and
thereafter at 100%

(in each case accrued interest on the principal amount thereof shall be paid to the date fixed for redemption); (g) shall be entitled to the benefits of, and shall be redeemable by operation of, the sinking fund provided in Article Two hereof; and (h) generally shall be in the form set forth in the preambles to the Mortgage with such variations as are necessary clearly to set forth the provisions, rights and conditions herein established.

ARTICLE TWO.

Sinking Fund.

SECTION 2.01. The Company covenants that so long as any Series A Bonds are outstanding it will pay annually to the Corporate Trustee on March 1, 1951 and each March 1 thereafter to and including March 1, 1979, as and for a non-cumulative sinking fund, the greater of (a) 12½% of the net income of the Company for sinking fund purposes for the preceding calendar year, or (b) all net income of the Company for sinking fund purposes for the preceding calendar year but not in excess of \$500,000.

Net income of the Company for sinking fund purposes for any particular calendar year shall mean "net income" as such term shall be defined by the Interstate Commerce Commission or other governmental body with jurisdiction, after deducting, at the option of the Company, the sum of \$500,000.

At the option of the Company any sinking fund payment may be made in cash or in bonds, or both, but in bonds only as follows: (a)