

to be redeemed, payment with respect to such Bond shall be made at or after the date fixed for redemption thereof upon presentation of such Bond for notation of the portion thereof so paid or, at the election of the holder thereof, upon surrender thereof properly endorsed for transfer and, upon such surrender, Bonds of the same series for the unpaid balance, if any, of the principal amount of the Bond so surrendered shall be executed by the Company and authenticated and delivered by the Trustee without charge to such holder. The Company will deposit with the Trustee, in cash and, except in the case of a redemption pursuant to Division B of Section 3.05, at least two full business days prior to each date on which any of the Bonds or portions thereof are to be redeemed, the amount required to make payment in full of the redemption price of, and accrued interest on, such Bonds or portions thereof.

SECTION 3.09. *Redemption Moneys Held in Trust.* Subject to the provisions of Section 11.02, any moneys deposited with or held by the Trustees for the redemption of Bonds of any series shall be held in trust for the benefit of the holders of such Bonds and shall be applied to the payment from time to time of such Bonds in accordance herewith. All Bonds redeemed in full shall be cancelled and destroyed by the Trustee.

SECTION 3.10. *Other Redemptions.* The Bonds may also be redeemed, as provided in Sections 4.01, 4.02, 4.03, 4.04, 4.05, 4.06, 5.07 and 7.05, upon payment of the applicable redemption price, together with accrued interest to the date fixed for redemption.

#### ARTICLE FOUR.

##### SINKING FUND FOR BONDS.

SECTION 4.01. *Fixed Sinking Fund for Bonds of the 1978 Series.* As a fund for the retirement of Bonds of the 1978 Series, the Company covenants that it will (subject to the last sentence of Section 3.04 and to Division C of Section 3.05) redeem on June 1, 1969 and on June 1 in each year thereafter, \$1,500,000 principal amount of Bonds of the 1978 Series.

SECTION 4.02. *Optional Sinking Fund for Bonds of the 1978 Series.* Subject to the provisions of Section 3.06, the Company may,