

Series issued upon transfer, exchange or substitution thereof) on the date of subsequent payment of such defaulted interest or, at the election of the Company, to the person in whose name such bond (or any bond or bonds of the 2012 Series issued upon transfer, exchange or substitution thereof) is registered on a subsequent record date established by notice given by mail by or on behalf of the Company to the holders of all bonds of the 2012 Series not less than ten (10) days preceding such subsequent record date. The term "record date" as used in this Section 1 shall mean, with respect to any semi-annual interest payment date, the close of business on the January 15 or July 15, as the case may be, next preceding such interest payment date or, in the case of a payment of defaulted interest, the close of business on any subsequent record date established as provided above.

SECTION 2. All bonds of the 2012 Series shall mature as to principal on August 1, 2012, and shall bear interest at the rate of 14½% per annum, payable semi-annually on the first day of February and August in each year.

SECTION 3. The bonds of the 2012 Series shall be fully registered bonds, without coupons, in denominations of one thousand dollars (\$1,000) and any multiple of one thousand dollars (\$1,000), all such bonds to be numbered, and shall be transferable and exchangeable as provided in the form of bond set forth in this supplemental indenture. The provisions of §1.19 and any other provision in the Indenture in respect of coupon bonds or reservation of coupon bond numbers shall be inapplicable to the bonds of the 2012 Series.

SECTION 4. The bonds of the 2012 Series are subject to redemption (otherwise than 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 provisions of §5.05 of the Indenture) prior to maturity, at the option of the Company, as a whole at any time or in part from time to time, in principal amounts equal to \$1,000 or any multiple thereof, upon prior notice as hereinafter provided, at the redemption prices specified in the third paragraph of the reverse side of the form of bond set forth in this supplemental indenture, together with interest accrued thereon to the date fixed for redemption thereof; provided, however, that, prior to August 1, 1987, no bonds of the 2012 Series may be redeemed at the redemption prices specified in such third paragraph if such redemption is a part of or in anticipation of any refunding operation involving the application, directly or indirectly, of borrowed funds having an effective interest cost to the Company (calculated in accordance with generally accepted financial practice) of less than the interest rate of the bonds of the 2012 Series.