

(in each case accrued interest, if any, 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 E Bonds are outstanding it will pay annually, in cash, to the Corporate Trustee commencing on March 1, 1964, and on each March 1 thereafter, to and including March 1, 1987, as and for a sinking fund for Series E Bonds, a sum equal to Two Per Cent (2%) of the maximum principal amount of Series E Bonds at any time issued and outstanding.

SECTION 2.02. All payments to the Series E sinking fund shall be applied to the retirement of Series E Bonds as hereinafter provided.

After the receipt of Series E sinking fund moneys and on the next succeeding May 15, the Corporate Trustee shall draw by lot outstanding Series E Bonds in an aggregate principal amount equal as nearly as practicable to the amount of such sinking fund moneys, and sinking fund moneys available therefor shall be applied by the Corporate Trustee on the next succeeding July 1 to the redemption, in the manner and with the same effect as provided in Article Three of the Mortgage, of the Series E Bonds so drawn by lot at a sinking fund redemption price of 100% of the principal amount thereof. Any sinking fund moneys not so applied shall be added to the Series E sinking fund moneys paid by the Company on the next succeeding March 1 and together with the sinking fund moneys so paid shall be applied in accordance with the provisions of this Section 2.02.

SECTION 2.03. Any Series E Bonds redeemed through the operation of the Series E sinking fund, together with all the appurtenant coupons, if any, shall be cancelled by the Corporate Trustee, and no Bonds shall be issued in lieu thereof. The cancelled coupon Series E Bonds and coupons