

ARTICLE IV.

SINKING FUND FOR BONDS OF THE 1977 SERIES.

SECTION 4.01. As a sinking fund for the retirement of Bonds of the 1977 Series, the Company covenants that it will pay to the Trustee the following amounts on the following dates:

(a) On or before December 31, 1954, and on or before December 31st of each year thereafter to and including December 31, 1976, a sum sufficient to redeem on the next ensuing January 1st, \$43,000 in principal amount of Bonds of the 1977 Series at the then applicable sinking fund redemption price set forth in the forms of the Bonds of the 1977 Series contained in the recitals hereto, together in each case with accrued interest to the date fixed for redemption; and

(b) On or before June 30, 1955, and on or before June 30th of each year thereafter to and including June 30, 1976, a sum sufficient to redeem on the next ensuing July 1st, \$43,000 in principal amount of Bonds of the 1977 Series at the then applicable sinking fund redemption price set forth in the forms of Bonds of the 1977 Series contained in the recitals hereto, together in each case with accrued interest to the date fixed for redemption.

The dates upon which payments are required for the sinking fund as above provided are hereinafter referred to as "sinking fund payment dates."

The Company shall have the right, subject to the conditions hereinafter contained, to satisfy any sinking fund payment (which term as used in this paragraph shall be deemed to include a sinking fund payment which the Company has elected to anticipate as hereinafter provided) in whole or in part, by delivering to the Trustee for the sinking fund, Bonds of the 1977 Series theretofore issued and then outstanding hereunder together with, in the case of coupon Bonds, all coupons appertaining thereto and unmatured at the time of such delivery, and the Trustee shall credit such sinking fund payment with an amount equal to the principal amount of the Bonds of the 1977 Series so delivered, plus the interest and the redemption premium which would be payable on such Bonds on the redemption of such

Bonds for the sinking fund on the next ensuing January 1 or July 1, as the case may be. All registered Bonds without coupons and all such coupon Bonds registered as to principal so delivered, if not registered in the name of the Company, shall be accompanied by duly executed written instruments of transfer in favor of the Company. If the Company elects so to deliver Bonds of the 1977 Series for credit on any sinking fund payment, it shall deliver such Bonds together with, in the case of coupon Bonds, all unmatured coupons thereto appertaining to the Trustee, at least 45 days prior to, but not more than 90 days prior to, the sinking fund payment date.

The Company may anticipate by not more than six (6) months in whole at any time, or in part from time to time, any sinking fund payment due on any sinking fund payment date, by directing the Trustee to call for redemption at the redemption price applicable to redemption for the sinking fund on the next succeeding sinking fund payment date together with interest accrued thereon to the redemption date, Bonds of the 1977 Series (such direction to be given to the Trustee not later than 45 days prior to the date to be fixed for the redemption of such Bonds, unless a shorter time shall be accepted as sufficient by the Trustee) and paying to the Trustee not later than the day preceding the date fixed for the redemption of such Bonds, cash sufficient to provide for the redemption thereof. The notice of redemption of Bonds to be given by the Trustee in such event may state that Bonds will be redeemed only to the extent that the Trustee on or prior to the redemption date receives funds sufficient for such purpose.

Except as otherwise provided in the next preceding paragraph, all cash received by the Trustee under the provisions of this Section 4.01 in respect of any sinking fund payment shall be held upon the trusts hereof for the Bonds of the 1977 Series, and not for the Bonds of any other series, and shall be applied by the Trustee, unless the Company is in default under the Indenture, to the redemption on the January 1 and July 1 next succeeding each sinking fund payment date of Bonds of the 1977 Series at the sinking fund redemption price then in effect and accrued interest, and otherwise in the manner provided in this Section 4.01; provided, however, that from and after any selection for redemption of the Bonds of the 1977 Series out of moneys