

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 1981 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 1981 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 May 1 or November 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 1981 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 principal amount thereof together with interest accrued thereon to the redemption date, Bonds of the 1981 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 such Bonds to be given by the Trustee in such event may state that such Bonds will be redeemed only to the extent that the Trustee on or prior to the redemption date receives funds sufficient for such purpose.

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 1981 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 May 1 or November 1, as the case may be, next succeeding each sinking fund payment date of Bonds of the 1981 Series, 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 1981 Series out of moneys held by the Trustee in the sinking fund for the Bonds of the 1981 Series, such moneys shall be held and applied for the account of the holders of the Bonds of the 1981 Series so selected.

All Bonds of the 1981 Series so delivered to or redeemed by the Trustee or the Company pursuant to the provisions of this Section 4.01 shall be cancelled and (except in connection with Bonds issued for the uncalled part of any fully registered Bond called only in part) no Bonds shall be authenticated and delivered in lieu thereof or to refund the same so long as any of the Bonds of the 1981 Series shall remain outstanding.

ARTICLE V.

MODIFICATIONS OF INDENTURE.

SECTION 5.01. The Original Indenture is hereby modified by deleting § 1.04(i) thereof as heretofore amended and inserting in lieu thereof the following:

“(i) So long as any Bonds of the 1976 Series, of the 1977 Series or of the 1981 Series are outstanding, the term ‘minimum provision for depreciation’ for any period subsequent to March 31, 1952 shall mean the greater of (a) the amount of depreciation on the books of the Company for such period determined in accordance with sound accounting practice, or (b) the amount of depreciation computed for such period at the rate of 2½% per annum of the average gross book value of depreciable property of the Company, determined upon the basis of the gross book value of such depreciable property at the beginning and end of the initial period (which initial period shall be from April 1, 1952 to the end of the calendar year 1952) and thereafter at the beginning and end of each calendar year, or if any period covering a fraction of a year is involved in any such