

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 June 15 or December 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 1990 Series shall mature as to principal on July 1, 1990, and shall bear interest at the rate of 12% per annum, payable semi-annually on the first day of January and July in each year.

**SECTION 3.** The bonds of the 1990 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 Part Two of 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 1990 Series.

**SECTION 4.** The bonds of the 1990 Series are subject to redemption (otherwise than through the operation of the Replacement Fund provided in Part Three 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 Part Two of this supplemental indenture, together with interest accrued thereon to the date fixed for redemption thereof; provided, however, that prior to July 1, 1986, no bonds of the 1990 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 1990 Series.

The bonds of the 1990 Series are also subject to redemption through the operation of the Replacement Fund provided in Part Three of this supplemental indenture or through the application of moneys paid to the Trustee pursuant to the provisions of §5.05 of the Indenture, at any time

156

4328 RV-2