ARTICLE 5.

Sinking Fund for Bonds of the 1977 Series.

SECTION 5.01. For the purpose of this Article, the first day of September, 1958, and the first day of September in each year thereafter to and including 1976 are called Sinking Fund Payment Dates.

SECTION 5.02. The Company covenants and agrees that it will on September 1, 1958 create, and so long as any of the bonds of the 1977 Series are outstanding maintain, a Sinking Fund, and that it will pay to the Trustee on or before each Sinking Fund Payment Date, so long as any bonds of the 1977 Series are outstanding, for the account of such Sinking Fund, cash sufficient in amount to retire, at the Sinking Fund redemption price, hereinafter defined, $52,000 aggregate principal amount of bonds of the 1977 Series.

The Company may satisfy all or any part of its obligations and rights as aforesaid by the surrender to the Trustee, on any Sinking Fund Payment Date, of bonds of the 1977 Series then outstanding accompanied by all unmatured coupons appertaining to coupon bonds, and the Company may utilize for such purpose bonds of the 1977 Series which it may have purchased or otherwise acquired at any time after the authentication and delivery thereof, each bond so surrendered to be received by the Trustee in lieu of cash sufficient to retire at the Sinking Fund redemption price an equal principal amount of bonds of the 1977 Series.

SECTION 5.03. The Sinking Fund redemption price applicable to bonds of the 1977 Series to be redeemed under the provisions of this Article shall be the principal amount thereof, with accrued interest to the date fixed for redemption.

SECTION 5.04. Not less than forty-five (45) days prior to each Sinking Fund Payment Date, the Company will deliver a statement of the Company to the Trustee stating (1) the principal amount of bonds of

the 1977 Series which the Company is required to retire on the next succeeding Sinking Fund Payment Date; and (2) the aggregate principal amount and serial numbers of bonds of the 1977 Series which the Company intends to surrender on the next succeeding Sinking Fund Payment Date in satisfaction of its Sinking Fund obligation and rights pursuant to this Article and deducting from the principal amount of bonds to be retired on said Sinking Fund Payment Date the aggregate principal amount of bonds of the 1977 Series which the Company states will be surrendered on said Sinking Fund Payment Date. Such statement is in this Article referred to as "the statement", and the balance resulting from such deduction in said statement is hereinafter in this Article referred to as the amount, or the principal amount, "set forth in the statement".

SECTION 5.05. **The Trustee shall apply the cash paid to it under** this Article for the account of the Sinking Fund to the redemption of bonds of the 1977 Series, at the Sinking Fund redemption price.

Promptly upon receipt by the Trustee of the statement of the Company provided by Section 5.04 to be delivered to the Trustee prior to each Sinking Fund Payment Date, the Trustee shall proceed to select for redemption, in the manner described in Section 6.03, a principal amount of bonds of the 1977 Series equal to the amount set forth in the statement, and the Trustee shall forthwith give the Company notice in writing to that effect, specifying the numbers of the bonds which, or portions of which, have been selected to be redeemed and the principal amount thereof to be redeemed in the case of bonds to be redeemed in part only; *provided, however*, that the Trustee shall not select for redemption or redeem less than $10,000 principal amount of bonds unless the Company shall in writing so request.

The Company, upon receipt of such notice from the Trustee, shall forthwith give notice, in the manner provided in Section 6.03, of intention to redeem such bonds of the 1977 Series. Such notice shall state that the redemption is for the Sinking Fund, the date of redemption (which shall be the next succeeding Sinking Fund Payment Date), the