

80

(including the premium, if any, and accrued interest to the redemption date) which would be necessary to redeem the Bonds so deposited. After the Company shall have deposited with the Trustee the money necessary to redeem the called Bonds or portions thereof and to pay the interest due thereon, as aforesaid, and/or shall have requested the Trustee so to apply funds held as aforesaid under the provisions of § 3.06 and/or Article 7 and/or any other provisions of this Indenture and/or shall have deposited Bonds selected for redemption as aforesaid, all Bonds or portions thereof to be redeemed and appurtenant coupons shall cease to be entitled to any lien, benefit or security of this Indenture except the right to receive the redemption price upon presentation and surrender thereof and shall be deemed not to be outstanding hereunder; and after such redemption date, such Bonds or portions thereof shall cease to bear interest and the coupons for interest maturing subsequently to such redemption date shall be void, and all liability of the Company to the holders of said Bonds or portions thereof for the payment of the principal thereof and interest thereon (and premium, if any) shall cease and determine and be completely discharged, as provided in § 14.03.

If, upon presentation for payment of any coupon Bonds called for redemption, there shall not be surrendered with such Bonds the coupons maturing on the redemption date thereof, if an interest payment date, the Company shall receive such Bonds, together with all coupons maturing after such redemption date, and shall pay in respect thereof the redemption price hereinbefore provided, exclusive of accrued interest, and payment of such coupons shall be made to the holders upon presentation and surrender thereof at any office where the same are expressed to be payable.

82

or private sale, without notice, at prices not exceeding such as the Board of Directors of the Company by resolution may specify, as evidenced by a copy of such resolution to be furnished to the Trustee.

§ 4.05. If at any time, there is being held by the Trustee any cash which by any of the provisions of this Indenture is required to be applied to the redemption and/or purchase of Bonds and/or refundable debt, or which the Company shall have directed the Trustee to so apply, the Company shall, upon request of the Trustee, forthwith take or cause to be taken all action necessary on its part to be done in connection with such purchase or to call the appropriate principal amount of Bonds and/or refundable debt for redemption, if so required, and to cause any notice of such redemption, if not waived as hereinabove provided, and/or of any call for proposals to sell Bonds required by this Article 4 to be given as provided in this Article 4, and if the Company shall fail or refuse, upon request of the Trustee, to take or cause to be taken any such action, or to give or complete any such notice, then the Trustee is hereby irrevocably authorized and empowered, either in the name or on behalf of the Company or in its own name as Trustee, to take or cause to be taken any such action and to give or complete or cause to be given or completed any such notice, with like force and effect as if such action were taken or as if such notice were given by the Company.

§ 4.06. All Bonds redeemed in accordance with the provisions of this Article 4 shall forthwith be cancelled by the Trustee and, except for refunding as provided in § 3.04, no Bonds shall be issued hereunder in place thereof.

Cash deposited pursuant to this Article 4 shall be applied in accordance with and subject to the instructions of the Company to the purchase or redemption of the Bonds

81

§ 4.04. Whenever the Company may desire to purchase or otherwise acquire Bonds and/or refundable debt it may publish notice at such times and at such place or places as the Company may determine, inviting sealed proposals, to be made to the Trustee on or before a date therein designated, for the sale to the Company of Bonds and/or refundable debt of a particular series or of such one or more series as shall be therein specified, at not to exceed such prices, and upon such other terms, if any, as may be specified in such notice, stating, either the principal amount of Bonds and/or refundable debt to be retired or the amount of funds to be applied to such purpose. From the Bonds and/or refundable debt offered in response to such notice, and upon the terms set forth in such notice, the Trustee shall accept such Bonds and/or refundable debt as are offered at the best prices (computed, unless the Company shall otherwise direct, in case there are to be purchased and are offered Bonds and/or refundable debt of more than one series bearing different rates of interest or different dates of maturity, upon the basis of the yield to maturity, which may be determined by the Trustee in accordance with any standard table of bond values) not exceeding the limitations designated in the notice, to the amount to be retired or to an amount sufficient to exhaust the funds available for such purpose as nearly as may be, and shall forthwith send notice of such acceptance to all bond holders whose offerings have been accepted. The Company may direct the Trustee to apply to such purchase any moneys held by the Trustee under the provisions of § 3.06 and/or Article 7, so far as applicable for such purpose. The Trustee may also apply any such moneys so far as applicable to such purpose, or any other funds which the Company may deposit with it for such purpose, to the purchase of Bonds issued hereunder and/or refundable debt, upon any exchange or in the open market, at public

83

and/or refundable debt for the purchase or redemption of which it was deposited and shall not form a part of the mortgaged property.

ARTICLE 5.

PARTICULAR COVENANTS OF THE COMPANY.

The Company covenants and agrees with the Trustee, for the benefit of the Trustee and of the several holders for the time being of the Bonds and of the coupons as follows:

§ 5.01. That it will promptly pay the principal of and interest on the Bonds issued hereunder according to the terms thereof and hereof and of any coupons thereto appertaining. As the coupons annexed to coupon Bonds are paid, they shall be cancelled.

That it will perform such covenants and provisions with reference to Bonds of Series A as are expressed therein and herein and with reference to other series as may be expressed in the Bonds of such series, respectively, when issued.

That it will maintain an office or agency in each other city in which Bonds of any series and/or the interest on the principal amounts thereof may be expressed to be payable, for the payment of such Bonds and/or interest when the same shall become due and payable.

That at least four (4) days prior to the date upon which any installment of interest on any of the Bonds is payable, the Company will deposit with the Trustee, or with some other depository approved by the Trustee, in a special account and in trust as below provided, an amount sufficient to pay all coupons and claims for interest then matured but which shall not theretofore have been paid