

ARTICLE II.

SINKING FUND.

Section 1. The Company covenants and agrees to pay into the Sinking Fund, on the 1st day of May, 1962, and on the 1st day of each succeeding May, an amount equal to one and one-half per cent ($1\frac{1}{2}\%$) of the maximum principal amount of the bonds of the 5% Series due 1990 which shall have been at any one time outstanding pursuant to the provisions of the Indenture, and to continue said Sinking Fund payments until the payment or redemption of all of the bonds of the 5% Series due 1990, notwithstanding any earlier payment or redemption of the bonds of any other series outstanding under the Indenture. Said Sinking Fund payments include, and are not in addition to, the payments required by Section 2 of Article II of each of the respective Supplemental Indentures dated November 1, 1941, March 1, 1948, November 1, 1950, May 1, 1951, May 1, 1952, November 1, 1954, November 1, 1955, May 1, 1957, May 1, 1958 and May 1, 1960.

Section 2. While any of the bonds of the 5% Series due 1990 shall remain outstanding, the Company covenants and agrees that in the event it creates and issues under the provisions of the Indenture, bonds of any new series, it will pay into said Sinking Fund, in addition to any payments which may be required to be made under Section 1 hereof, or Section 1 of Article II of any of the respective Supplemental Indentures dated November 1, 1941, March 1, 1948, November 1, 1950, May 1, 1951, May 1, 1952, November 1, 1954, November 1, 1955, May 1, 1957, May 1, 1958, and May 1, 1960 annually at the time set forth in said sections, an amount not less than one and one-eighth per cent ($1\frac{1}{8}\%$) of the maximum principal amount of bonds of such other and new series which shall have been at any one time outstanding under the provisions of the Indenture. Subject to the provisions of this section, Sinking Fund provisions applicable to any new series of bonds shall be fixed and determined by resolution of the Board of Trustees of the Company pertaining to any of such remaining bonds.

Section 3. All sums so paid to the Corporate Trustee pursuant to the provisions of this Article shall constitute a Sinking Fund for the further security of the bonds issued under the Indenture and then outstanding and shall be held and disbursed by the Corporate Trustee as in this Article II provided.