

(a) at the option of the Company or by the application of funds held by the Corporate Trustee as provided in Section 8.12 of the Mortgage, as supplemented and modified from time to time, as a whole at any time or in part from time to time, at the applicable regular redemption price, and upon the terms and subject to the conditions set forth in the forms of the bonds of the 1982 Series contained in Section 6 of this Article Two; and

(b) on any interest payment date, beginning May 1, 1965, by operation of the Sinking Fund provided for in Section 4 of this Article Two, upon payment of the principal amount thereof;

together, in any case, with interest accrued thereon to the redemption date; upon prior notice (unless waived as provided in Section 5.03 of the Mortgage) given by publication at least once in each week for three consecutive calendar weeks, the first publication to be not less than thirty nor more than ninety days prior to the redemption date, in a newspaper printed in the English language, customarily published on each business day and of general circulation in the Borough of Manhattan, City and State of New York; provided that notice of redemption shall be given by mail to each registered holder of bonds which, or portions of which, are to be redeemed, by mailing the same to such holders not less than thirty nor more than ninety days prior to the redemption date, and provided further that, if all of the bonds of the 1982 Series at the time outstanding shall be registered bonds without coupons and/or coupon bonds registered as to principal, notice of redemption may be given solely by mail as aforesaid and publication of notice shall not be required. If in any instance notice of redemption be published as herein provided, the mailing of notice of redemption as hereinabove provided shall not be a condition precedent to such redemption, and failure so to mail any such notice shall not affect the validity of the proceedings for the redemption of the bonds.

SECTION 4. *Sinking Fund for Bonds of the 1982 Series.* A. For a Sinking Fund for the retirement of bonds of the 1982 Series, the Company covenants that, so long as any bonds of the 1982 Series shall remain outstanding, it will, subject to the provisions of Paragraphs B and C of this Section, pay to the Corporate Trustee, at least one