

ARTICLE II.**Sinking Fund for Bonds of the Sixth Series.**

SECTION 2. The Company covenants that, unless all bonds of the Sixth Series shall have ceased to be Outstanding, it will, as a sinking fund for the retirement of bonds of the Sixth Series, deliver to the Corporate Trustee an amount in cash and/or principal amount of bonds of the Sixth Series, on July 1 of each year, beginning with the year 1966 to and including the year 1985, equivalent to two per centum (2%) of (A) the greatest principal amount of all bonds of the Sixth Series prior to January 1 of such year at any one time Outstanding, less (B) the aggregate principal amount of all bonds of the Sixth Series, prior to the date of such delivery or transfer, retired pursuant to the provisions of subdivision (3) or subdivision (4) of Section 61 of the Mortgage by use or application of the proceeds of insurance on, the release or other disposition of, or the taking by eminent domain of, property, or pursuant to the provisions of Section 64 of the Mortgage, and less (C) the aggregate principal amount of bonds the right to the authentication and delivery of which (on the basis of the retirement of bonds of the Sixth Series) shall have been waived prior to such delivery of cash or bonds pursuant to the provisions of clause (c) of subdivision (4) of Section 59 of the Mortgage as the basis of the release of property or pursuant to the provisions of subdivision (2) of Section 61 of the Mortgage as the basis of the withdrawal of cash representing proceeds of insurance on, the release or other disposition of, or the taking by eminent domain of, property.

For the purpose of the first paragraph of this Section the term "Outstanding" shall not include bonds of the Sixth Series pledged to secure indebtedness of the Company and not at any time otherwise issued by the Company.

The Company, at its option (as evidenced by a written order of its Treasurer or an Assistant Treasurer delivered to the Corporate Trustee directing such credit), shall be credited against any of the requirements of this Section with the aggregate principal amount of any bond(s) of the Sixth Series (a) which are not then being and have not theretofore been delivered to meet the requirements of this