

Section 4. Any or all of the Bonds of Series R shall be redeemable at the option of the Company at any time, and from time to time, prior to maturity, at the principal amount thereof and accrued interest thereon to the date of redemption together with a premium determined as specified in the form set forth herein for the bonds of said series. The Company covenants and agrees that it will not make any redemption prior to June 1, 1978, of any Bond of Series R unless it shall first have delivered to the Trustees a certificate signed and sworn to by the President or a Vice President and the Treasurer or an Assistant Treasurer of the Company, to the effect that (i) the Company is not making such redemption for the purpose of refunding the bonds to be redeemed by the application or utilization, directly or indirectly, of borrowed funds, or the proceeds of the sale of any debt security, having an interest cost to the Company (computed in accordance with accepted financial practice) of less than 7.125% per annum, and (ii) the Company does not contemplate replacing the funds applied to the redemption of the Bonds so to be redeemed by other borrowed funds, or the proceeds of the sale of any debt security, having an interest cost to the Company (computed in accordance with accepted financial practice) of less than 7.125% per annum.

Notice of redemption of Bonds of Series R shall be given by mail, first class postage prepaid, not less than thirty and not more than forty-five days prior to the date of redemption, to the holders of the Bonds of Series R which are to be redeemed, at their last addresses as they appear upon the bond registry books. The particular Bonds of Series R to be redeemed, in whole or in part (any redemption in part to be in the principal amount of \$1,000 or any multiple thereof), shall be selected by the Corporate Trustee pro rata (as nearly as may be) from the holders of the outstanding Bonds of Series R not previously called for redemption in a proportion that their respective holdings bear to the aggregate principal amount of the outstanding Bonds of such series on the date of selection; such allocations as may be requisite for this purpose shall be made by the Corporate Trustee, in its uncontrolled discretion, to maintain the principle of pro rata redemptions in any partial redemption or in any series of partial redemptions.

Upon presentation of any Bond of Series R, which is to be redeemed in part only, the Company shall execute, and the Corporate Trustee upon cancellation of such Bond shall authenticate and deliver to the