

"outstanding hereunder" it will on each June 1 during the years 1942 to 1970, both inclusive, effect the retirement of Series A bonds in an amount equal to one per cent of the total aggregate principal amount of Series A bonds authenticated and delivered up to and including each next preceding May 1 (exclusive of any Series A bonds in exchange or in substitution for which other bonds of Series A may have been authenticated and delivered under the provisions of Sections 10, 12 and 13 of Article Two, Section 4 of Article Three and Section 6 of Article Seven ). Such retirement may be effected by either (a) the payment to the Trustee on or before the May 1st next preceding such June 1st of moneys sufficient to redeem on June 1st, at the redemption price hereinafter specified, such aggregate principal amount of Series A bonds, or (b) the delivery to the Trustee on or before such May 1st of such aggregate principal amount of "available bonds" of Series A or (c) in part by each such method.

On any such May 1st the Company may, however, in lieu of the deposit of moneys or the delivery of Series A bonds as aforesaid certify to the Trustee "net bondable expenditures for property additions" made by it during the twelve calendar months next preceding such May 1st equal to one and one-half times the aggregate principal amount of Series A bonds which but for the provisions of this paragraph would be required to be so retired by filing with the Trustee on or prior to such May 1st;

(1) A "certificate of net bondable expenditures for property additions" dated as of such May 1st which in addition to the matters required to be set forth in such certificate in the definition thereof in Article One shall

(a) determine the amount of "net bondable expenditures" existing at the beginning of such twelve months period,

(b) state the aggregate amount of expenditures referred to in (a) above which have been "bonded" during such twelve months period, and

(c) determine the amount of "net bondable expenditures" which were made during such twelve months period and which are therefore certifiable under the provisions of this Section by deducting from the aggregate amount of "net bondable expenditures" as of the expiration of such period the excess of the amount determined in response to (a) above over the amount stated in response to (b) above, and

(2) If there be included in such "certificate of net bondable expenditures for property additions" any "new gross expenditures" the documents required by (i), (ii) and (iii) of sub-paragraph 4 of Section 3 of Article Four.

All moneys deposited with the Trustee pursuant to the provisions of this Section shall be held by it in trust as and for a sinking fund for Series A bonds and shall be used by it to redeem Series A bonds on the June 1st next following the receipt by the Trustee of such moneys.

The redemption prices for Series A bonds for the purposes of the sinking fund created by this Section shall be the principal amount thereof plus accrued interest thereon to the date of such redemption plus a premium equal to the following percentages of the principal amount thereof: If redeemed on June 1, 1942, 6.80%, if redeemed on June 1, 1943, 6.66% if redeemed on June 1, 1944, 6.52%, if redeemed on June 1, 1945, 6.37%, if redeemed on June 1, 1946, 6.21%, if redeemed on June 1, 1947, 6.06%, if redeemed on June 1, 1948, 5.89% if redeemed on June 1, 1949, 5.72%, if redeemed on June 1, 1950, 5.54%, if redeemed on June 1, 1951, 5.36%, if redeemed on June 1, 1952, 5.17%, if redeemed on June 1, 1953, 4.98%, if redeemed on June 1, 1954, 4.77%, if redeemed on June 1, 1955, 4.56%, if redeemed on June 1, 1956, 4.35%, if redeemed on June 1, 1957, 4.12%, if redeemed on June 1, 1958, 3.89%, if redeemed on June 1, 1959, 3.65%, if redeemed on June 1, 1960, 3.40%, if redeemed