

in cash and/or a principal amount of the Bonds of the Seventh Series, not theretofore made the basis for the authentication and delivery of Bonds or the withdrawal of cash or the reduction of the amount of cash required to be paid to the Trustee under any provision of the Original Indenture, the Second Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture, or of this Supplemental Indenture, equal in the aggregate to one percent (1%) of (a) the greatest aggregate principal amount of all issued Bonds of the Seventh Series outstanding at any one time prior to January 1 of such year less (b) the aggregate principal amount of all issued Bonds of the Seventh Series retired (other than through operation of the Improvement and Sinking Fund or the Maintenance Fund provided for herein) pursuant to Section 8 of Article VIII of the Original Indenture prior to the date of such deposit; provided, however, that there shall be credited against the amount of cash and/or principal amount of Bonds of the Seventh Series so required to be deposited with the Trustee an amount equal to sixty percent (60%) of the amount of net bondable value of property additions not subject to an unfunded prior lien which the Company then elects to make the basis of a credit under this Section.

On or before September 30 of each such year, the Company shall deliver to the Trustee:

(a) an officers' certificate which shall state:

(1) the greatest aggregate principal amount of Bonds of the Seventh Series outstanding at any one time prior to January 1 of such year; and

(2) the aggregate principal amount of all issued Bonds of the Seventh Series retired (other than through operation of the Improvement and Sinking Fund or the Maintenance Fund provided for herein) pursuant to Section 8 of Article VIII of the Original Indenture prior to the date of such officers' certificate;

and

(b) if the Company then elects to make the basis of a credit under this Section any amount of net bondable value of property additions not subject to an unfunded prior lien, the certificates,

instruments, opinions, prior lien bonds and cash prescribed in Subdivisions (a) to (g) both inclusive, of Section 4 of Article III of the Original Indenture.

So long as any of the Bonds of the Seventh Series are outstanding, property additions used as the basis of a credit under this Section shall not thereafter be made the basis for the authentication and delivery of Bonds or the withdrawal of cash or the reduction of the amount of cash required to be paid to the Trustee under any provision of the Original Indenture, the Second Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture or this Supplemental Indenture.

Notwithstanding any other provisions of the Original Indenture, the Second Supplemental Indenture, the Fourth Supplemental Indenture, the Fifth Supplemental Indenture, the Seventh Supplemental Indenture, the Eighth Supplemental Indenture or this Supplemental Indenture, the Company shall be permitted from time to time to anticipate in whole or in part the requirements of this Section becoming due on September 30 of the then current year or any subsequent year or years, by depositing cash and/or a principal amount of issued Bonds of the Seventh Series with the Trustee in full satisfaction or in partial satisfaction of the requirements of this Section. Any redemption of Bonds of the Seventh Series out of cash so deposited shall be not inconsistent with the provisions of Section 1(B) of Article III hereof.

The Trustee, upon receipt of cash pursuant to the provisions of this Section, shall forthwith proceed to apply the same toward the purchase of issued Bonds of the Seventh Series, in an aggregate principal amount not exceeding the amount of cash deposited, on any securities exchange or in the open market or at private sale at the price or prices most favorable to the Company in the judgment of the Trustee; provided, however, that no Bonds of the Seventh Series shall be purchased at such prices (including accrued interest and brokerage) that the cost thereof to the Company would exceed the cost of redeeming such Bonds of the Seventh Series on a date forty days after the date of such purchase (including in such cost the premium, if any, and accrued interest from the interest date next preceding the date of purchase to such redemption date).