SECTION 8. All Bonds purchased by the Principal Trustee, redeemed or retired or surrendered to the Principal Trustee under the provisions of this Article and the appurtenant coupons shall be cancelled as of the applicable Sinking Fund Payment Date and the Principal Trustee shall note on its records the fact of such cancellation and shall deliver the Bonds so cancelled to or upon the order of the Company.

Unless this requirement shall be waived in writing or by vote by the holders of not less than seventy-five per centum (75%) in principal amount of the Bonds of the 1978 Series at the time of such waiver outstanding, Bonds of the 1978 Series purchased by the Principal Trustee, redeemed or retired, or surrendered to the Principal Trustee in satisfaction of all or any part of the Company's obligation under this Article (and bonds heretofore or hereafter purchased by the Principal Trustee, redeemed or retired or surrendered to the Principal Trustee and cash, property or other credits heretofore or hereafter used under any sinking, amortization, improvement or other fund for the benefit of the holders of the bonds of any series heretofore or hereafter issued, except property additions used as a credit under *subdivision (1)* of *§4.10* of the Original Indenture or under any similar provision hereafter established for bonds of any series and whether or not at the same rate) shall not thereafter, so long as any Bonds of the 1978 Series are outstanding, be made the basis for the issue of bonds, or the withdrawal of cash, or the taking of a credit under any of the provisions of the Indenture.

When none of the Bonds of the 1978 Series are outstanding, then the aggregate principal amount of Bonds purchased by the Principal Trustee, redeemed or retired or surrendered to the Principal Trustee in satisfaction of the Company's obligations under this Article, may be made the basis for the issue of bonds, under the provisions of *§3.07* of the Original Indenture, or the withdrawal of cash, or the taking of a credit under any of the provisions of the Indenture.

SECTION 9. Notwithstanding any other provision of the Original Indenture or any indenture supplemental thereto, unless this requirement shall be waived in writing or by vote by the holders of not less than seventy-five per centum (75%) in principal amount of the Bonds of the 1978 Series at the time of such waiver outstanding, whenever the Company or the Principal Trustee shall desire to purchase any of the Bonds of the 1978 Series to be credited against or for the account of the Sinking Fund for Bonds of such series it shall mail to each registered owner of fully registered Bonds of the 1978 Series or coupon Bonds of the 1978 Series registered as to principal, at their addresses as the same shall appear on the bond registry of the Company, a notice requesting tenders of Bonds of the 1978 Series for purchase, on or before the date specified in such notice, which shall be not less than thirty (30) days after the mailing of such notice, at their principal amount plus accrued interest and at lower prices. Such notice shall specify the principal amount of Bonds of the 1978 Series desired to be purchased. If there shall be outstanding any coupon Bonds of the 1978 Series not registered as to principal, it shall also publish a similar notice two (2) times in one week in an authorized newspaper in the Borough of Manhattan, The City of New York, the first such publication to be not less than thirty (30) days prior to the date fixed for receipt of tenders.

If Bonds of the 1978 Series shall be tendered pursuant to any such notice at not more than their principal amount and accrued interest, there shall be purchased from each registered owner of Bonds of the 1978 Series who shall have so tendered Bonds, at the price specified in the tender made by such registered owner (notwithstanding lower prices at which other tenders shall have been made), a principal amount of Bonds of the 1978 Series equal, as nearly as practicable, to the smaller of

(a) the principal amount so tendered and

(b) the same percentage of the Bonds of the 1978 Series at the time registered in the name of such registered owner that the aggregate principal amount of Bonds of the 1978 Series to be purchased is of the aggregate principal amount of Bonds of the 1978 Series at the time outstanding.