

Any balance of any Sinking Fund payment not satisfied by credits taken pursuant to the foregoing provisions shall be paid in cash.

All bonds delivered to the Corporate Trustee for credit against any of the Sinking Funds for the bonds of the Second 1975 Series, the 1977 Series or the Second 1977 Series shall be accompanied by all unmatured coupons, if any, thereto appertaining, and shall be accompanied by a certificate signed by the Treasurer or an Assistant Treasurer of the Company stating that such bonds have been duly issued and *bona fide* sold or otherwise disposed of for value to persons other than an affiliate of the Company and have been reacquired by the Company and stating that none of such bonds has theretofore been made the basis of a credit against any Sinking Fund payment hereunder (except to the extent provided in clause (c) of Paragraph C of this Section) or of the authentication and delivery of bonds or the withdrawal of cash or of any other credit under the Mortgage as supplemented and modified from time to time. All bonds delivered to the Corporate Trustee and credited against any Sinking Fund payment hereunder and all bonds redeemed by operation of, or the redemption of which has been made the basis of a credit against, any of said Sinking Funds, shall be cancelled and, so long as any of the bonds of any of the present series are outstanding, shall not be made the basis of the authentication and delivery of bonds or the withdrawal of cash or of any other credit under the Mortgage as supplemented and modified from time to time except to the extent provided in clause (c) of Paragraph C of this Section.

Forthwith after the February 15 next preceding any March Sinking Fund payment date or the August 15 next preceding any September Sinking Fund payment date (except September 30, 1975 in the case of the bonds of the Second 1975 Series, and except September 30, 1977 in the case of the bonds of the 1977 Series and the Second 1977 Series) on which the Company will be required to make to the Corporate Trustee a payment in cash for any of the Sinking Funds for the bonds of the Second 1975 Series, the 1977 Series or the Second 1977 Series, the Corporate Trustee shall proceed to select for redemption, in the manner provided in Article Five of the Mortgage, a principal amount of bonds of the series in question equal to the amount of such cash