

of that series for the sinking fund for bonds of that series on the first day of November next following, provided, however, that thereafter no bonds shall be authenticated and delivered or cash withdrawn or credit taken under any of the provisions of the Mortgage, as supplemented, on account of the redemption or retirement of such bonds and such bonds shall be cancelled.

(c) Against the amount of bonds deliverable pursuant to subdivision (b) of this Section, there shall be credited an aggregate principal amount of bond(s) or fraction of a bond to the authentication and delivery of which the Company shall then be entitled on the basis of Property Additions or on the basis of the retirement of bonds of the series for which the sinking fund is being calculated by virtue of compliance with all applicable provisions of the Mortgage (except as hereafter in this Section otherwise provided) if the Company elects to make its right to the authentication and delivery of such bond(s) or fraction of a bond the basis of a credit under this Section.

Any such election pursuant to subdivision (b) or (c) of this Section shall be certified to the Corporate Trustee by an Officers' Certificate delivered to the Corporate Trustee on or before each September 1.

In case credit under the provisions of this Section is applied for in whole or in part upon the basis of the right to the authentication and delivery of bonds, the Company shall comply with all applicable provisions of the Mortgage relating to such authentication and delivery; except that the Company shall not be required to comply with any earning requirements or to deliver to the Corporate Trustee any Resolution, Officers' Certificate, Net Earning Certificate or Opinion of Counsel such as is described in subdivisions (1), (2), (6) and (8) of Section 28 of the Mortgage.

(II) As soon as may be, after each payment to a sinking fund is so made, the Corporate Trustee shall apply the moneys in such sinking fund to the purchase of bonds of the series to which it is applicable in the open market, at the lowest price or prices obtainable (including accrued interest and brokerage), but not to exceed the price (including accrued interest) at which the bonds of such series are then redeemable for the sinking fund for bonds of that series as herein provided. If within twenty (20) days after each payment to a sinking fund, the Corporate Trustee shall be unable to purchase bonds of the series to which it is applicable as aforesaid sufficient to reduce the amount of