

purchases of bonds as provided in this clause (2), shall by mail notify all registered owners of bonds of the Eighth Series of the amount of cash to be applied to the purchase of such bonds and request tenders of bonds by a specified date, and on or after such date the Corporate Trustee, to the extent, as nearly as is possible, of the cash so to be applied, shall purchase the bonds so tendered at the price or prices most favorable to the Company but not exceeding the maximum price specified above and, if more bonds are offered at any specified price than there is cash then available to purchase the same, the Corporate Trustee shall prorate its purchases of bonds at such price as nearly as may be practicable between the owners of bonds offered at such price in proportion to the principal amounts of bonds of the Eighth Series registered in the names of the owners offering bonds at such price, or

(3) to the redemption of bonds of the Eighth Series;

provided, however, that if moneys in excess of the sum of Fifty Thousand Dollars (\$50,000) deposited with the Corporate Trustee pursuant to this Section (except moneys which theretofore have been set aside to be applied to the purchase of bonds so tendered or to the redemption of bonds called for redemption) shall have remained on deposit for a period of six calendar months, such moneys so remaining on deposit shall promptly thereafter be applied by the Corporate Trustee to the redemption of bonds of the Eighth Series; and provided further that, unless consented to by the holders of a majority in principal amount of bonds of the Eighth Series Outstanding at the time of such consent, the Company may not deposit cash prior to March 1, 1971 in anticipation of the requirements of this Section, if the cash so deposited represents a part of a refunding operation involving, directly or indirectly, the incurring of indebtedness by the Company having a cost (calculated in accordance with acceptable financial practice) lower than five and ninety-four one-hundredths per centum (5.94%) per annum.

For all purposes of the Mortgage (including all calculations thereunder), so long as any bonds of the Eighth Series remain Outstanding, as defined in Section 2 of the Mortgage:

(I) any cash deposited under the provisions of this Section shall be deemed to be Funded Cash;