

year, shall be applied by the Corporate Trustee from time to time, as the Company may request,

(1) so long as any bond of the Seventh Series is in bearer form not registered as to principal, to the purchase of bonds of the Seventh Series, at the price or prices most favorable to the Company in the judgment of the Corporate Trustee, at public or private sale and with or without advertising in a Daily Newspaper, printed in the English language, and of general circulation in the Borough of Manhattan, The City of New York, provided, however, that no bonds shall be purchased at such price (including accrued interest and brokerage) that the cost thereof to the Company will exceed the cost of redeeming such bonds on a date forty (40) days after the date of such purchase (including premium, if any, and accrued interest from the interest date next preceding the date of purchase to such redemption date in such cost),

(2) so long as all bonds of the Seventh Series are in fully registered form, or in bearer form registered as to principal, to the purchase of bonds of the Seventh Series, at private sale, provided, however, that the Corporate Trustee, before making any purchases of bonds as provided in this clause (2), shall by mail notify all registered owners of bonds of the Seventh 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 Seventh Series registered in the names of the owners offering bonds at such price, or

(3) to the redemption of bonds of the Seventh Series; provided, however, that if moneys in excess of the sum of Fifty Thousand Dollars (\$50,000) deposited with the Corporate Trustee pursuant