

§ 3.03. Subject to §§ 3.06 and 3.07, from time to time after the date hereof Bonds of any one or more series may be authenticated and delivered in exchange for an at least equal aggregate principal amount of any Refundable Bonds which have not theretofore been Bonded for the purpose of refunding, or of reimbursing a Company for payments made after the date hereof to refund, such Refundable Bonds, provided, however, that

(1) Pledged Subsidiary Bonds shall not be made the basis for the authentication and delivery of Bonds under this § 3.03 unless all such Pledged Subsidiary Bonds have their final maturity after the maturity of the Bonds to be authenticated and delivered in exchange therefor;

(2) Bonds shall not be authenticated and delivered pursuant to this § 3.03 on the basis of Prior Lien Bonds of any New Company outstanding at the date on which it became a New Company hereunder unless 60% of the Net Fixed Property Account of such New Company at the date on which it became a New Company hereunder exceeds, at the time of the refunding to be effected by such authentication and delivery, the sum of (a) the aggregate principal amount of any such Prior Lien Bonds of such New Company theretofore refunded pursuant to this § 3.03, (b) the aggregate principal amount of such Prior Lien Bonds which are being presented for such refunding and (c) the aggregate principal amount of any such Prior Lien Bonds of such New Company which shall remain outstanding after such refunding; and

(3) Bonds shall not be authenticated and delivered pursuant to this § 3.03 on the basis of Pledged Subsidiary Bonds of any Pledged Subsidiary outstanding at the date on which it became a Pledged Subsidiary hereunder unless 60% of the Net Fixed Property Account of such Pledged Subsidiary at the date on which it became a Pledged Subsidiary here-