

under 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 Pledged Subsidiary Bonds of such Pledged Subsidiary theretofore refunded pursuant to this § 3.03, (b) the aggregate principal amount of such Pledged Subsidiary Bonds which are being presented for such refunding and (c) the aggregate principal amount of any such Pledged Subsidiary Bonds of such Pledged Subsidiary which shall remain outstanding after such refunding.

§ 3.04. Subject to §§ 3.06 and 3.08, from time to time after the date hereof Bonds of any one or more series may be authenticated and delivered in an aggregate principal amount not exceeding 75% of Bondable Expenditures for Equipment and 60% of Bondable Expenditures for Acquisition of New Properties and Net Bondable Expenditures, provided, however, that

- (1) Bonds may not be authenticated and delivered hereunder on the basis of any such Bondable Expenditures which have been theretofore Bonded;
- (2) The principal amount of any Prior Lien Bonds (whether or not theretofore Bonded) taken into account in determining the amount of any such Bondable Expenditures pursuant to the definition of Bondable Expenditures herein shall be deducted from the principal amount of Bonds which could otherwise be authenticated and delivered on the basis of Bondable Expenditures other than for Equipment; and
- (3) Bonds may not be authenticated and delivered in respect of Bondable Expenditures for Equipment after the expiration of the expected life thereof determined as provided in this § 3.04.

The authentication and delivery of Bonds pursuant to this § 3.04 will not be applied for except for the purpose of the prompt sale, exchange or pledge thereof. The Recipi-