

of Directors of the Company requesting the Corporate Trustee to authenticate and deliver Bonds reserved under Section 2.02 or 2.04 hereof, to provide for a like amount of such prior debt bonds in said resolution specified and accompanied by evidence satisfactory to the Corporate Trustee that there has been deposited in trust, funds sufficient for the payment of the principal of, premium, if any, and interest on such prior debt bonds and that the instrument securing the same has been satisfied and discharged, the Corporate Trustee shall authenticate and deliver to the Company or on its written order Bonds so reserved for a principal amount not exceeding the principal amount of the prior debt bonds specified in said resolution, and, in case of an application under Section 2.04, accompanied by evidence satisfactory to the Corporate Trustee that the Company is entitled under the terms of Section 2.04 to such authentication and delivery, and upon the delivery to and pledge with the Corporate Trustee of General Unified Bonds, in principal amount equal to the principal amount of Bonds to be authenticated and delivered pursuant to Section 2.04, but not in excess, however, of General Unified Bonds then available for pledge, *provided, however,* that the Corporate Trustee shall not authenticate and deliver Bonds under this clause (b) to provide for prior debt bonds (except First Consolidated Bonds) if there be outstanding bonds of any other issue secured by a mortgage the lien of which is junior to the lien of the mortgage securing such prior debt bonds and prior to the lien of this Indenture upon any part of the property and premises covered by the mortgage securing such prior debt bonds.

The Corporate Trustee shall authenticate and deliver Bonds to the Company pursuant to this clause (b) to provide for First Consolidated Bonds only if the Company concurrently delivers to and pledges with the Corporate Trustee a principal amount of General Unified Bonds equal to 135% of the principal amount of Bonds so authenticated and delivered.

(c) No prior debt bonds shall be delivered to and pledged with the Corporate Trustee as a basis for the authentication and delivery of Bonds issued hereunder which have been retired by the operation of any sinking fund or against