

be made, as hereinafter in this §3.04 provided (whether through or by payment at maturity, or upon redemption, or by purchase, exchange, surrender, conversion into stock or securities other than Bonds issued hereunder or refundable debt the operation of any sinking fund or by any other method), not theretofore funded; provided, however, that so long as any Bonds of Series A shall remain outstanding, no Series A Bonds retired through the operation of the sinking fund herein provided, no Bonds of any other series retired through the operation of any other sinking fund hereafter created, and no Bonds of Series A or of any other series retired through the operation of the maintenance and depreciation fund provided for in §5.18 hereof shall be refundable under this Indenture. Bonds shall be so issuable for refunding as aforesaid all or any part of any series of Bonds or all of any series of refundable debt at any time and from time to time at, before or after the maturity of any such series of Bonds or refundable debt being retired or to be retired, and no refundable debt secured by any one mortgage or lien shall be refunded hereunder unless at the time all refundable debt secured by the same mortgage or lien shall be simultaneously refunded.

(B) In order to evidence to the Trustee the retirement or provision for the retirement of Bonds and/or refundable debt, which shall thereafter be available as a basis for the authentication and delivery of Bonds or the release of cash in lieu thereof, to the extent herein provided, the Company may at any time or from time to time deliver to the Trustee the following, namely:

(1) Bonds and/or refundable debt (whether cancelled or uncanceled) in bearer form or accompanied by proper instruments of assignment and transfer, together with all appurtenant unmatured coupons, if any; and/or

(4) A certificate of the trustee of such refundable lien stating, or other evidence satisfactory to the Trustee, (a) that cash to an amount sufficient to pay the principal, premium, if any, and interest to maturity or to the redemption date, if called, as the case may be, with respect to a principal amount of the outstanding refundable debt secured by such lien specified in such certificate, has been deposited with or at the direction of the trustee of such refundable lien in trust to be applied to the payment, redemption or other retirement of such refundable debt, that none, or a specified amount, of such cash constitutes cash certified or otherwise evidenced to the Trustee pursuant to §6.03 and/or insurance money deposited with such trustee, and that none, or a specified principal amount, of such outstanding refundable debt is to be retired through the application of such cash; or (b) that such refundable lien has been discharged of record; and

(5) A certificate of the Company (a) stating that said Bonds or refundable debt have not theretofore been funded as defined in §1.01 (x), or retired through conversion of the same into Bonds issued hereunder or into refundable debt, (b) stating whether or not any of said Bonds or refundable debt have been retired through the operation of the maintenance and depreciation fund provided for in §5.18 hereof or the sinking fund for any one or more series of Bonds then outstanding; (c) stating the principal amount, if any, of such Bonds or refundable debt acquired with funds applied by the Trustee pursuant to Subdivision (IV) of §7.02, exclusive of Bonds retired with sinking fund or maintenance and depreciation fund cash; (d) stating whether any of such Bonds to be refunded have not been sold by the Company and disposed of to the public; and (e) setting forth the statements as to compliance with conditions or covenants required to be made pursuant to §5.14.

(C) Any Bonds received by the Trustee pursuant to this §3.04 (if not previously cancelled) shall be cancelled by the Trustee, and except to the extent refundable pur-

(2) Cash sufficient to pay principal, premium, if any, and interest to maturity or to the redemption date, as the case may be, with respect to Bonds then outstanding and not to be delivered to the Trustee pursuant to subdivision (1) above contemporaneously with its authentication and delivery of the Bonds applied for, together with, in case of the deposit of cash to provide for the redemption of Bonds, either (1) proof satisfactory to the Trustee that notice of redemption as provided in Article 4 has been given, or (2) proof satisfactory to the Trustee that arrangements have been made insuring that such notice will be given, or (3) a written instrument executed by the Company, under its corporate seal and expressed to be irrevocable, authorizing the Trustee to give such notice for and on behalf of the Company, or (4) a waiver of the notice of the publication required by Article 4, signed by the holders of all Bonds of series to be redeemed. Whenever thereafter there shall be surrendered by the Company to the Trustee for cancellation any of the Bonds and/or appurtenant coupons payment of which shall have been provided for by such deposit, the Trustee shall repay the Company, upon the written request of the Company, the amount deposited in respect of the Bonds and/or coupons so surrendered and/or

(3) A certificate of the trustee or mortgagee under the refundable lien securing any refundable debt, stating that such refundable debt to a principal amount specified therein, together with all appurtenant unmatured coupons, if any, has been cancelled by or under the direction of such trustee or mortgagee, or (if there is a trustee under the refundable lien) has been purchased, redeemed or otherwise retired and is held by such trustee under such conditions that the same will cease to be outstanding, stating separately the principal amount retired and cancelled through the application of any cash deposited with such trustee or mortgagee and certified or otherwise evidenced to the Trustee pursuant to §6.03, or through the application of any insurance money deposited with such trustee or mortgagee, or other evidence satisfactory to the Trustee of such cancellation, purchase, redemption or other retirement; and/or

suant to this §3.04, no further Bonds shall thereafter be issuable in respect thereof. All refundable debt received by the Trustee pursuant to this §3.04 (except such as may have previously been cancelled) shall be held and treated by the Trustee as provided in §8.06.

§3.05. *Issuance of Bonds Against Cash.* (A) Bonds shall be issuable pursuant to this §3.05 (but only upon compliance with §3.02) to an aggregate principal amount equal to the amount of cash deposited for the purpose with the Trustee pursuant to this §3.05.

(B) Any application of the Company for the authentication and delivery of Bonds pursuant to the provisions of this §3.05 shall be accompanied by a net earnings certificate as defined in §1.01 (w).

§3.06. *Application of Cash Deposited as Basis for Issuance of Bonds.* Cash deposited pursuant to §3.05 shall be held by the Trustee as part of the trust estate and, unless the Company shall at the time be in default in the payment of interest on some one or more of the Bonds or an event of default shall exist, shall be applied by the Trustee at any time or from time to time, as follows:

(1) Upon delivery to the Trustee of an application of the Company, containing the statements required by subdivision (a) of §3.02, (but with appropriate variations in language, and without there being furnished to the Trustee any of the other documents specified in §3.02), be paid to the Company to an amount or amounts equal to the aggregate principal amount of Bonds which the Company shall become entitled to have authenticated pursuant to §3.03 and/or §3.04 and in lieu of such authentication; provided that the Company shall not be required to furnish the Trustee with a net earnings certificate unless any prior lien debt is being established as refundable debt;