

debt bonds, or after the satisfaction and discharge of the First Consolidated Mortgage, cancelled First Consolidated Bonds acquired or retired without the use of Bonds or their proceeds or the withdrawal of deposited cash, (with all unmatured coupons, if any, thereto belonging), together with a copy of the resolution and other writings specified in Section 2.01 and a copy of a resolution of the Board of Directors of the Company requesting the Corporate Trustee to authenticate and deliver Bonds reserved under Section 2.02 or 2.04 hereof 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, the Corporate Trustee shall authenticate and deliver to the Company or on its written order Bonds so reserved for a principal amount not in excess of the principal amount of such prior debt bonds delivered to and pledged with the Corporate Trustee, *provided, however*, if First Consolidated Bonds are delivered and pledged under this clause (a) there shall also be delivered to and pledged with the Corporate Trustee a principal amount of General Unified Bonds equal to 35% of the principal amount of First Consolidated Bonds so delivered and pledged. In case of authentication and delivery of Bonds reserved under Section 2.04 hereof, the Corporate Trustee shall have the right, if in its discretion it deems it in the best interests of the bondholders, to require the pledge hereunder of General Unified Bonds, if available for pledge, in lieu of the pledge hereunder of prior debt bonds. If the Corporate Trustee shall require the pledge of General Unified Bonds as aforesaid, the prior debt bonds which otherwise would have been pledged hereunder shall be delivered to the Corporate Trustee for cancellation and return to the Company and shall not thereafter be used as a basis for the issuance of any other obligation of the Company.

(b) At any time or times whether before, at or after the maturity of any prior debt bonds upon delivery to the Corporate Trustee of a copy of the resolution and other writings specified in Section 2.01 hereof and a copy of a resolution of the Board