

Prior Lien Indenture under any provision thereof, or the application of any cash proceeds pursuant to the provisions of Section 5.06 or 5.07 hereof, or

(d) the authentication and delivery of Present Prior Lien Securities which have been pledged with the Corporate Trustee under the provisions of Section 2.04(c) hereof,

or that such property or securities have been acquired through, or that such Bondable Expenditures have resulted from, an exchange, replacement or substitution of property or securities under any provision of Article Five hereof, or through the surrender or other use, under the provisions of Section 6.04, 6.05 or 6.07 hereof, of securities theretofore Bonded; and

(2) Prior Lien Securities, or any securities acquired in substitution therefor, shall mean that such Securities, or any securities acquired in substitution therefor, have been made the basis by the Company for

(a) the authentication and delivery of any Bonds, or

(b) the withdrawal, payment or application of any Deposited Cash;

*provided, however,* that Prior Lien Securities, the amount of which has been included in Bondable Expenditures pursuant to the definition of Bondable Expenditures, shall not be deemed to be Bonded because of such inclusion until Bonds have been issued or Deposited Cash withdrawn in respect thereof pursuant to Section 2.05 hereof.

All of the property subject to the lien of this Indenture which was owned by the Company on December 31, 1970, other than property which may be the basis for the authentication and delivery of Present Prior Lien Securities for pledge with the Corporate Trustee under the provisions of Section 2.04(c) hereof, shall for all purposes of this Indenture be deemed to be Bonded.

The terms "bondholder", "holder of Bonds", or other similar terms, mean any person who shall at the time be the bearer of any coupon Bond which shall not at the time be registered as to principal or the registered holder of any registered Bond without coupons or of any coupon Bond which shall at the time be registered as to principal.