

without there being furnished to the Corporate Trustee any of the documents specified in subdivisions (b), (c), (d) and (e) of Section 4.02, such cash shall be paid to the Company to an amount or amounts equal to the aggregate principal amount of bonds which the Company would be entitled to have authenticated pursuant to Section 4.03 and/or Section 4.04 and in lieu of such authentication, but only upon receipt by the Corporate Trustee of the certificates, opinions and other documents required by Section 4.03 or 4.04, as the case may be;

(2) Such cash shall be applied by the Corporate Trustee, upon receipt of an application of the Company so requesting, to the payment, purchase or redemption of bonds, in which event the Corporate Trustee shall be furnished with and may rely upon a resolution of the Board of Directors of the Company authorizing and directing the Corporate Trustee to apply such cash to such purpose; provided that the amount of cash so applied shall not exceed the principal amount of the bonds paid, purchased or redeemed, and all sums required for the payment of interest and premium, if any, in connection with such payment, purchase or redemption shall be furnished by the Company.

All bonds acquired by the Corporate Trustee pursuant to this Section (if not previously cancelled) shall be cancelled by said Trustee.

Any cash held by the Corporate Trustee (a) under the provisions of Section 6C.06, after the delivery to the Corporate Trustee of the documents specified in the first paragraph of Section 6C.05, (b) under the provisions of Section 6D.06, after the delivery to the Corporate Trustee of the documents specified in the first paragraph of Section 6D.05, (c) under the provisions of Section 6E.06, after the delivery to the Corporate Trustee of the documents specified in the first paragraph of Section 6E.05, (d) under the provisions of Section 8.03 in connection with the release of any shares of Common Stock of Western Natural Gas Company pledged hereunder or the release of any gas production property, (e) under the provisions of Section 8.03A in connection with the release of any shares of stock, obligations or other securities of any controlled corporation pledged hereunder, or (f) under the provisions of Section 9.04, Section 9.06 or Section 9.10 representing moneys received by or paid to the Corporate Trustee on account of or with respect to