

with the provisions of Section 4.02. The latest date upon which bonds may be authenticated and delivered pursuant to this Article Four shall be January 1, 2000.

C. Forthwith upon the execution and delivery of the Thirty-first Supplemental Indenture hereto, and without awaiting the filing and/or recording thereof, and upon

(i) the delivery to the Corporate Trustee of a certificate or written statement of the Corporate Trustee under the Pacific Mortgage stating that all of the Pacific Bonds have been cancelled by or under the direction of said Corporate Trustee or have been surrendered to and are held by said Corporate Trustee under such circumstances that the same have ceased to be outstanding; and

(ii) the delivery to the Company by the Trustees under the Pacific Mortgage of an instrument, duly executed by said Trustees, acknowledging satisfaction of the Pacific Mortgage and releasing and conveying to the Company the entire estate, title and interest of said Trustees under and by virtue of the Pacific Mortgage; and

(iii) the delivery to the Corporate Trustee of counterpart originals or certified copies of the Gas Purchase Contracts and Gas Sales Contracts described in Parts I and II of Division B of the Granting Clauses of the Thirty-second Supplemental Indenture and stock certificates, duly endorsed in blank for transfer or accompanied by proper instruments of assignment and transfer duly executed, for the shares of stock described in Part III of said Division B,

there may be executed by the Company and delivered to the Corporate Trustee not exceeding \$93,200,000 aggregate principal amount of bonds of the Second 1975 Series, not exceeding \$35,000,000 aggregate principal amount of bonds of the 1977 Series, and not exceeding \$35,000,000 aggregate principal amount of bonds of the Second 1977 Series, and the Corporate Trustee shall authenticate such bonds and deliver the same as directed in an application of the Company."

SECTION 13. Section 4.06 of the Mortgage is hereby modified by changing clause (d) of the second paragraph of said Section to read as follows: