

amount of such property retirements shall be computed as specified in the definition of "property retirements" in Article 1 of the Indenture except that retirements consisting of property additions not theretofore bonded shall be computed at the cost thereof to the Company. The fair value to the Company of property additions for the purpose of this item (c) shall be as stated in the replacement certificate in which such property additions were included in item (c) for the first time. If any property additions made the basis of a credit under this item (c) are subject to any prior lien, then the amount of such credit otherwise available to the Company shall be reduced by an amount equal to one hundred sixty-six and two-thirds per cent (166 2/3%) of the principal amount of the then outstanding prior lien bonds secured by such prior lien and not theretofore deducted in connection with any application under the Indenture for the authentication and delivery of bonds or the withdrawal or reduction of cash. Property additions shall not be considered to be bonded by reason of their utilization under this item (c).

(d) The aggregate of (1) the amount of any net property additions not theretofore bonded which the Company in such replacement certificate elects to make the basis of a credit under this Article III, and (2) the amount of net property additions utilized under item (d) of all previous replacement certificates, but only so far as the net property additions so utilized have not ceased to be bonded as permitted by Section 5 of this Article III at the date of this replacement certificate then being filed. The amount of net property additions utilized under item (d) of a replacement certificate for the first time shall be separately stated. The fair value to the Company of property additions, for the purpose of their inclusion in net property additions under this item (d), shall be as stated in the replacement certificate in which they are included in item (d) for the first time. In any such case, if any property additions made the basis of a credit under this item (d) are subject to any prior lien, then the amount of such credit otherwise available to the Company shall be reduced by an amount equal to one hundred sixty-six and two-thirds per cent (166 2/3%) of the principal amount of the then outstanding prior lien bonds secured by such prior lien and not theretofore deducted in connection with any application under the Indenture for the authentication and delivery of bonds or the withdrawal or reduction of cash. To the extent that net property additions are utilized under this item (d), they shall be deemed to have been bonded for all purposes of the Indenture; provided, however, that any net property additions not theretofore bonded which the Company elected to make the basis of a credit in matured and replacement certificates and replacement certificates filed for periods ended prior to or on December 31, 1969, pursuant to supplemental indentures heretofore executed and delivered shall not be deemed to be bonded by their use in such certificates as a credit under this Article III and said net property additions shall constitute a credit under this Article III whether or not they shall remain bonded or be bonded under any other provision of the Indenture or any indenture supplemental thereto on account of their use in such certificates; and to the extent that prior lien bonds are deducted under this item (d), they shall be deemed to have been deducted for all purposes of the Indenture, in connection with an application for the withdrawal or reduction of cash.

(e) The aggregate of (1) an amount equal to (i) one hundred per cent (100%) of the principal amount of prior lien bonds which have been theretofore deducted in connection with the authentication and delivery of bonds and (ii) one hundred sixty-six and two-thirds per cent (166 2/3%) of the principal amount of prior lien bonds with respect to which one hundred sixty-six and two-thirds per cent (166 2/3%) of the principal amount thereof has theretofore been deducted in connection with the reduction or withdrawal of cash under any provision of the Indenture, which, in each case, prior to or simultaneously with the filing of the replacement certificate shall have been deposited with the Trustee or paid or redeemed or reduced or accounted for by final judicial determination to be invalid, which the Company in such replacement certificate elects to make the basis of a credit under this Article III and which shall not theretofore have been bonded; and (2) the aggregate amount of credit based on prior lien bonds utilized under item (e) of all previous replacement certificates, but only so far as the prior lien bonds so utilized have not ceased to be bonded as permitted by Section 5 of this Article III at

the date of the replacement certificate then being filed. The amount of prior lien bonds utilized under item (e) of a replacement certificate for the first time shall be separately stated. To the extent that prior lien bonds are utilized under this item (e) they shall be deemed to have been bonded for all purposes of the Indenture.

(1) The aggregate of (1) the principal amount of bonds theretofore authenticated and delivered under any provision of the Indenture, which after such delivery and prior to or simultaneously with the filing of such replacement certificate shall have been or be surrendered for conversion (if convertible) except into other bonds, or paid or redeemed or otherwise surrendered to the Trustee and cancelled (otherwise than upon exchange of bonds of one denomination for bonds of another denomination or of coupon bonds for registered bonds or of registered bonds for coupon bonds) or upon the transfer of registered bonds or in lieu of lost, mutilated, stolen or destroyed bonds; which the Company in such replacement certificate elects to make the basis of a credit under this Article III and which shall not theretofore have been bonded; and (2) the principal amount of bonds so utilized under item (f) of all previous replacement certificates, but only so far as the bonds so utilized have not ceased to be bonded as permitted by Section 5 of this Article III at the date of the replacement certificate then being filed. The amount of bonds utilized under item (f) of a replacement certificate for the first time shall be separately stated. To the extent that bonds are utilized under this item (f) they shall be deemed to have been bonded for all purposes of the Indenture.

(g) The amount, if any, of cash previously deposited by the Company with the Trustee pursuant to Section 5 of this Article III or previously (but after May 31, 1945) or concurrently so deposited pursuant to Section 3 of Article IV of the First, Second, Third, Fourth, or Fifth Supplemental Indenture, or pursuant to Section 3 of Article III of the Sixth, Seventh, Eighth, Ninth or Tenth Supplemental Indenture and not subsequently withdrawn pursuant to subdivision (a) of Section 4 of this Article III or pursuant to subdivision (a) of Section 4 of Article IV of the First, Second, Third, Fourth or Fifth Supplemental Indenture or pursuant to subdivision (a) of Section 4 of Article III of the Sixth, Seventh, Eighth, Ninth or Tenth Supplemental Indenture.

(1) The amount, if any (hereinafter sometimes referred to as the "replacement fund credit"), by which the aggregate of the foregoing items (c), (d), (e), (f) and (g) exceeds the cumulative replacement requirement.

(1) The amount, if any (hereinafter sometimes referred to as the "replacement fund deficit"), by which the aggregate of the amounts of the foregoing items (c), (d), (e), (f) and (g) fails to equal the cumulative replacement requirement.

Each replacement certificate shall be accompanied by the officers' certificate, engineer's certificate and independent engineer's certificate, opinion of counsel, instruments of conveyance and transfer and other documents described in Article III of the Indenture to the extent that they are necessary to establish the facts with respect to items (c), (d), (e) and (f) set forth in the replacement certificate, except that, subject to the provisions of Section 17.01 of the Indenture, the Company may incorporate by reference any such certificates, opinions, instruments or documents previously or concurrently filed with the Trustee under the Indenture or any supplemental indenture.

Any replacement certificate filed under the provisions of Article IV of the Second, Third, Fourth or Fifth Supplemental Indenture or under the provisions of Article III of the Sixth, Seventh, Eighth, Ninth or Tenth Supplemental Indenture shall be deemed to have been filed under the provisions of this Article III whether filed before or after the execution of this Eleventh Supplemental Indenture, and insofar as a replacement certificate filed under provisions of Article IV of the Second, Third, Fourth or Fifth Supplemental Indenture or under the provisions of Article III of the Sixth, Seventh, Eighth, Ninth or Tenth Supplemental Indenture contains the same information and is accompanied by the same certificates, opinions and other documents as are required by this Article III, it shall be deemed to fulfill the requirements of this Article III as though filed pursuant to the provisions of this Article III, and compliance by the Company with the provisions of Article IV of the Second, Third,