

per annum.

Section 4. NO bonds shall be issued under Section 3 of this Article for the purpose of providing funds for the Company to keep or maintain any property covered by this indenture in good and businesslike working order and condition or merely to replace old and worn out property; provided, however, that whenever old and worn out property is replaced by property of greater cost than the cost of the old or worn out property, if new at the time of replacement, then such excess of cost of such other property acquired to replace the old or worn-out property, and such excess only shall be deemed "betterments", "improvements", "extensions," or "additions", for which bonds may be certified and delivered under Section 3 of this Article.

Betterments, improvements, developments, extensions and additions in process of construction or erection shall not be used as a basis for the issuance of bonds under Section 3 of this Article II, but such betterments, improvements, developments, extensions and additions in process of construction or erection and so far as actually constructed or erected and paid for and placed under the lien of this indenture shall be deemed betterments, improvements, developments, extensions and additions within the meaning of this article, for the purpose of enabling the Company to withdraw cash deposited with the Corporate Trustee under the provisions of Section 6 of this Article II; provided that prior to the withdrawal of any such cash there shall have been delivered to the Corporate trustee a certificate of a competent engineer (who may be the engineer for the Company), stating the estimated cost of such construction or erection on completion, and provided the estimated aggregate amount of bonds, the issue of which would be authorized under the provisions of Section 3 of this Article II on the completion of such construction or erection shall have been issued against cash deposited with the Corporate Trustee under and pursuant to the provisions of Section 6 of this Article II. Such estimated cost, however, shall not be used to limit the amount of bonds which may be issued under the provisions of Section 3 of this Article II or of cash which may be withdrawn under provisions of Section 6 of this Article II on the completion of such construction or erection, whether or not the actual cost be greater or less than the estimated cost of such construction or erection.

Section 5. If it shall appear by any certificate or opinion of counsel in this indenture referred to, filed with the Corporate Trustee prior to or concurrently with a request for the authentication of an installment of bonds, that with respect to the betterments, improvements, developments, extensions, or additions, or acquisitions of new properties, or any part thereof, included therein, there exists any lien or incumbrance of any character whatsoever securing an indebtedness which cannot then satisfactorily be paid or discharged, or the validity of which is disputed by the Company, said Corporate Trustee shall certify and deliver hereunder the installment of bonds, the authentication of which is so requested, notwithstanding the existence of such liens or incumbrance, provided that all the other requirements herein set forth have been complied with by the Company, and that the Company shall deposit with said Corporate Trustee an amount or cash which shall equal the face value of the indebtedness secured by said lien or incumbrance, and such additional amount as said Corporate Trustee shall deem requisite to cover the costs, interest, and expenses of any litigation with respect thereto, to be applied by said Corporate Trustee to the payment of such lien or incumbrance if found valid, and such costs interest, and expenses, and on the cancellation of said lien, the moneys so deposited, or on the satisfaction thereof from the moneys so deposited, any balance that may remain therefrom, shall be repaid by said Corporate Trustee to the Company; and if said deposits shall prove insufficient, the deficiency shall be paid by the Company to the Corporate Trustee on demand.

Section 6. At such time or times as the board of directors of the Company shall determine, the Company may become entitled to the authentication and delivery of any of the bonds reserved under the provisions of this Article upon depositing with the Corporate Trustee an amount of money equal to the face amount of said bonds to be so authenticated and delivered by the Corporate Trustee.

The moneys so received by the Corporate Trustee shall be expended only for the purpose specified in Section 3 of this Article II, and subject to all the restrictions and limitations in this Article contained respecting the authentication and delivery of bonds, except as hereinafter provided. Such moneys shall be paid to the Company, or upon its orders, upon resolutions, certificates, affidavits, opinions and other documents similar to those which under the provisions of Section 3 of this Article II would entitle the Company to the authentication and delivery of the bonds on account of which said moneys were so deposited; and in addition thereto, in a case provided for in Section 4 of this Article II, the engineer's certificate therein provided for: it being understood, however, that such resolutions and certificates shall, in cases of requisitions for payment of cash, be made in terms applicable to such payments of cash instead of to the authentication and delivery of bonds, and that such payments of cash shall be made without reference to the net earnings of the Company, as in the case of the authentication and issue of bonds under this Article provided, that at the same time such deposit of cash is made with the Corporate trustee it shall appear as provided in this Article from certificates then furnished that the earnings entitled the Company to the authentication of the bonds