

MORTGAGE RECORD No. 79

this Section that the net earnings of the Company for the period covered by such certificate were not less than two times the net annual bond interest charge of the Company; and

(2) It shall appear by the pertinent certificate responsive to the preceding sub-paragraph (d) of this Section that the aggregate principal amount of bonds, authentication whereof is then applied for, pursuant to the provisions of this Section (A) is not greater than the aggregate amount of expenditures made by the Company for the making or acquisition of additions and extensions to the properties of the Company as the aggregate amount of such expenditures is stated in the certificate responsive to the preceding sub-paragraph (d) of this Section; (B) is not greater than the fair value of the additions and extensions to the properties of the Company as such fair depreciated value is stated in the certificate responsive to the preceding sub-paragraph (e) of this Section.

The term "actual cash expenditures" as used in this Mortgage shall not be construed to require the actual passing of money, but shall be satisfied by the passing of credit, or, in the case of the acquisition of any property acquired by the Company, as an entirety or substantially as an entirety, but only in such case by the passing of capital stock of the Company at the price or value per share at which it shall be accepted.

Section 2. The term "additions and extensions" as used in this Article shall include the following:

(A) Fixed additions to the plants and properties of the Company or additional property of a fixed or permanent nature acquired by the Company by construction, purchase or otherwise in fee and free from all encumbrances prior to the lien hereof;

(B) Rights of way, easements, franchises, pipe lines including gathering lines and transmission lines and necessary equipment incidental thereto.

(C) Renewals or replacements, but only to the extent that the cost thereof shall exceed the original cost of the property renewed or replaced, or in respect of property acquired other than by construction, its fair depreciation value at the time of acquisition or the cost of such acquisition (whichever is the lesser), such cost or value to be determined by a competent engineer or appraiser satisfactory to the Trustee who may be a person in the employ of the Company.

ARTICLE V.

ISSUANCE OF BONDS AGAINST DEPOSIT OF CASH.

Section 1. For the purpose of creating a fund for the reimbursement of expenditures on account of which, when made, bonds may be issued under the terms of Article IV of this Mortgage, additional bonds of Series A or bonds of any subsequent series created pursuant to the terms of this Mortgage, may, from time to time, be executed by the Company and delivered to the Trustee, and the Trustee shall upon receipt of

(a) A certified copy of the resolution responsive to the provisions of Section 5 of Article I hereof, in the event of the bonds authentication whereof is applied for be the initial issue of any series;

(b) A copy of a resolution by the board of directors of the Company, certified by the Secretary of the Company under its corporate seal, have been duly adopted, describing and authorizing the execution and authentication of such bonds and directing the deposit with the Trustee of an amount in cash equal to the principal amount of such bonds, together with a copy of a resolution passed by a majority vote of the stockholders of the Company entitled to vote thereon, certified as aforesaid, authorizing the issuance of such bonds under the provisions hereof or in the alternative an opinion of counsel, to the effect that no such resolution of the stockholders is necessary for the issue of such bonds or to entitle the same to the security and lien hereof;

(c) A certificate copy of the order responsive to sub-paragraph (e) of Section 2 of Article III hereof, or, in the alternative, an opinion responsive to said sub-paragraph;

(d) A certificate responsive to divisions (7) to (11), inclusive, of sub-paragraph (d) of Section 1 of Article IV of this Mortgage;

(e) A receipt or other evidence responsive to sub-paragraph (e) of Section 2 of Article III hereof or, in the alternative, an opinion responsive to the said sub-paragraph;

(f) Cash in an amount equal to the principal amount of the bonds authentication whereof is applied for;

and deliver the same to or upon the order of the President of the Company if and only if it shall appear from the pertinent certificate responsive to sub-paragraph (d) of this Section that the net earnings of the Company for the period covered by such certificate were not less than two times the net annual bond interest charge of the Company;

Section 2. Cash received by and on deposit with the Trustee under the provisions of this Article may be withdrawn for additions and extensions to the properties of the Company on orders of the Company signed by its President and by its Treasurer, and upon receipt by the Trustee of

(a) A certificate responsive to divisions (1) to (6), inclusive, of sub-paragraph (d) of Section 1 of Article IV of this Mortgage;

(b) A certificate responsive to sub-paragraph (e) of Section 1 of Article IV of this Mortgage;

(c) An opinion responsive to sub-paragraph (f) of Section 1 of Article IV;

(d) An indenture supplemental hereto, responsive to sub-paragraph (h) of Section 1 of Article IV, or, in the alternative, an opinion responsive to the said sub-paragraph;

if and only if the amount of cash, withdrawal whereof is applied for,

(1) is not greater than the aggregate amount of expenditures made by the Company for the making or acquisition of additions and extensions to its properties, as the aggregate amount of such expenditures is stated in the certificate responsive to sub-paragraph (a) of this Section;

(2) is not greater than the fair depreciated value of the additions and extensions to its properties, as stated in the certificate responsive to sub-paragraph (b) of this Section.

ARTICLE VI.

RELATING TO REDEMPTION OF BONDS.

Section 1. Whenever the Company shall, by resolution of its board of directors, a copy whereof, certified by the Secretary of the Company under its corporate seal, to have been duly passed and to be in full force and effect, shall be filed with the Trustee not less than forty-five (45) days prior to the date fixed for such redemption, determine to exercise its right to redeem any bonds issued hereunder and by their subject to redemption, notice of such redemption (including the series, date and maturity, and if less than all of the bonds of any series, the numbers of the bonds to be redeemed), shall be published by the Company or the Trustee in a newspaper of general circulation, published in Kansas City, Missouri. Any such published notice shall be sufficiently given if it shall have been published four (4) times, once in each week, in such newspaper and the first such publication shall have been made in such newspaper at least thirty (30) days prior to the date fixed for such redemption. A copy of such notice of redemption shall be mailed by the Company or the Trustee to the holder of each registered bond so called for redemption, at the last post office address of such holder shown upon the registry books at the office of the Trustee. The bonds to be redeemed, if less than all outstanding bonds of any series, shall in all cases be determined by the Trustee by lot. All bonds redeemed under the provisions of this Article shall be canceled by the Trustee and delivered to the Treasurer of the Company or upon his written order.

Section 2. If the amount necessary to redeem any bonds called for redemption, as in this Article provided, shall have been deposited with the Trustee for the account of the holder or holders of such bonds on or before the date specified for such redemption, and all proper charges and expenses of the Trustee in connection therewith shall have been paid, and the notice hereinbefore mentioned shall have been duly given, the Company shall be released from all liability on account of such bonds and such bonds shall no longer be deemed to be outstanding hereunder, and interest thereon shall cease at the date specified for such redemption and thereafter such bonds and all coupons maturing subsequently to such date shall not be secured by the lien of this Mortgage.

Section 3. The Trustee shall not be required to give any notice of any call for redemption, unless the amount necessary to redeem the bonds called and to pay all proper charges and expenses of the Trustee in connection therewith shall have been deposited with the Trustee as aforesaid, and in case any