

## DOUGLAS COUNTY

(c) An engineer's certificate (conforming to the requirements of this section) certifying to the value at the time of its acquisition by the Company of any purchased property described in the foregoing certificate and on account of which bonds are requested to be authenticated; and

(d) The certificates, orders, opinions, indenture and/or other instruments, if any, required by Sections 5 and 6 of this Article.

"Bondable property" (other than purchased property) may be sufficiently described for any purpose of this Indenture by stating the descriptive name or title of the account or accounts (and subdivisions thereof applicable thereto) under or pursuant to a standard classification of accounts system in general use, to which the expenditures made for such property are applicable or have been charged or allocated and the amounts thereof.

SECTION 4. Bonds of any series may, from time to time, in the manner and subject to the limitations provided in this section and in Sections 1 and 2 of Article 1 hereof, be issued hereunder by the Company and shall be authenticated by the Trustee and delivered by it to or upon the written order of the President or a Vice-President of the Company, upon receipt by the Trustee of the following:

(a) A copy of a resolution of the Board of Directors of the Company authorizing the execution and authentication of the bonds proposed to be issued and stating the principal amount thereof and the designation of the series in which to be issued and, except as to bonds of Series A, setting forth, either expressly or by reference to a resolution of the Board of Directors theretofore adopted, the terms, provisions and characteristics of such bonds, all in accordance with and subject to the restrictions of Section 1 of Article 1 hereof;

(b) An amount of cash equal to the principal amount of the bonds requested to be authenticated; and

(c) The certificates, orders, opinions, indenture and/or other instruments, if any, required by Sections 5 and 6 of this Article.

Money received by the Trustee under the provisions of this section is sometimes referred to in this Indenture as "deposited cash." Whenever the Company shall be entitled to the authentication and delivery of bonds under the provisions of either Section 2 or Section 3 of this Article and the Trustee shall have in its possession deposited cash equal to the principal amount of such bonds, the Trustee shall, on the request of the Company evidenced by resolution of its Board of Directors and in lieu of the authentication and delivery of such bonds, pay over to the Company, on the written order of its President or a Vice-President, an amount of deposited cash equal to the principal amount of such bonds, but only upon receipt by the Trustee of a certificate signed by the President or a Vice-President and by the Treasurer or an Assistant Treasurer of the Company stating that the Company is not then in default under any provision of this Indenture and of a certificate or certificates, orders, opinion or opinions and other instruments (if any) of the character required to be given for the authentication and delivery of such bonds (excepting only the certificates, orders, opinions, indenture and/or other instruments, if any, required by Section 5 and by sub-divisions (a) to (c), both inclusive, of Section 6 of this Article) but with such changes or differences as may be appropriate or required by reason of the fact that the Company's application is for the withdrawal of deposited cash instead of for the authentication of bonds. All moneys received by the Trustee under the provisions of this section shall, until paid out as aforesaid, be held by it as a part of the mortgaged property, except that all or any part of such moneys may, upon the written direction of the Company be applied by the Trustee to the purchase or redemption of bonds, upon the terms and conditions set forth in Article 1X of this Indenture, and all such moneys remaining on deposit with the Trustee at the end of two years from the date of deposit with the Trustee at the end of two years from the date of deposit of the same shall be so applied by the Trustee.

SECTION 5. No bonds shall be authenticated and delivered by the Trustee under the provisions of Section 3 and/or 4 of Article 1 of this Indenture, and no bonds bearing a higher rate of interest than the bonds for or on account of the payment, cancellation, redemption or discharge of which they are issued shall be authenticated and delivered by the Trustee under the provisions of Section 2 of Article 1 of this Indenture more than five years prior to the maturity of the bonds for or on account of the payment, cancellation, redemption or discharge of which they are issued, except, in each case, upon receipt by the Trustee of a certificate signed by the President or a Vice-President and by the Treasurer or an Assistant Treasurer of the Company showing that for a period of twelve consecutive calendar months ending within sixty days next preceding the authentication and delivery by the Trustee of any such bonds hereunder the net earnings, as hereinafter defined, of the Company shall have been at least twice a sum equal to the interest for one year (1) on all the bonds to be outstanding under this Indenture immediately after such authentication (excepting any of such bonds for the payment or redemption of which the necessary moneys have been deposited with the Trustee hereunder), and (2) on all other indebtedness then secured by a lien equal or prior to the lien of this Indenture on any part of the Company's property (excepting any such indebtedness, the evidences of which shall then be held in pledge by the Trustee hereunder or by the trustee under any mortgage constituting a lien prior to the lien of this Indenture on any part of the Company's property and any such mortgage indebtedness for the payment or redemption of which the necessary moneys shall have been deposited with the Trustee hereunder or with the trustee under the mortgage securing the same).

The "net earnings" (as that term is used in this Indenture) of the Company shall for any period be determined by deducting from the total gross earnings and income of the Company derived from all sources for such period all operating expenses of the Company for such period, including current maintenance and repairs, rentals, taxes (including accruals for income taxes) and insurance, but excluding all charges or provisions for depreciation, retirements, renewals, replacements and/or amortization; and by making such adjustments, if any, of the resulting amount as may be necessary to comply with the provisions so as to net earnings hereinafter in this section contained. Not more than 10% of the net earnings as finally determined shall consist of (a) net non-operating income, (b) net operating revenues derived from the operation of any property not owned by the Company, No dividends or interest received by the Company from any subsidiary or affiliated company shall be included in the net earnings of the Company except to the extent that such dividends or interest were earned by the paying company in the current or the next preceding fiscal year of such company. No profits derived from the sale or other disposition of capital assets shall be included in the net earnings of the Company. In case any property owned by the Company at the time of the authentication of bonds under this Indenture shall not have been owned by it during any part of any such period or shall have been owned by it during a part only of such period, then and in every such case the net earnings of such property during said period, or during such part thereof as shall have preceded the acquisition of said property by the Company, shall be considered and treated as net earnings of the Company for such period, and shall be included in such net earnings of the Company. In case any property owned by the Company during any part of any such period shall not be owned by the Company at the time of the authentication of bonds hereunder, the net earnings derived by the Company from such property during such period shall be excluded from the net earnings of the Company.

SECTION 6. No bonds shall be authenticated and delivered by the Trustee under the provisions of Section 2, 3 or 4 of this Article except upon receipt by the Trustee of the following:

(a) An opinion of counsel stating each public service commission or other governmental agency, if any, of the United States of America or of any state or states thereof then having or claiming to have jurisdiction over the issuance of bonds under this Indenture by the Company, and also stating the principal amount of the bonds then requested to be authenticated with respect to which a certificate or order of any such public service commissions or governmental agencies is required or claimed to be required; and a certified copy of each such certificate or order, shown by said opinion to be required,