

of which, in each case, the Trustee shall have received a certificate that the same have been deposited with the trustee or other holder of a prior lien in pursuance of any provision of this Indenture, and which in each case are held by the trustee or other holder of a prior lien at the time of the satisfaction of such prior lien, shall thereupon be paid or delivered to the Trustee (to be held subject to the provisions of this Indenture as though originally received by the Trustee) or to the trustee or other holder of a prior lien if required by the terms of such prior lien; and that the Company will not obtain any withdrawal of any prior lien bonds or any cash or any such proceeds or considerations from any such trustee or holder upon the basis of any prior lien bonds deposited with the Trustee pursuant to any provisions of this Indenture and therefore bonded, except for the purpose of depositing such prior lien bonds, cash or proceeds or considerations as withdrawn with the Trustee hereunder; and that the Company will not apply for or obtain the authentication and delivery of any bonds under the provisions of Section 2.04 hereof, or the withdrawal or reduction of cash under any provision of this Indenture (i) upon the basis of any prior lien bonds used to withdraw any such cash, or proceeds or considerations from any such trustee or holder which are not deposited with the Trustee hereunder or (ii) upon the basis of any prior lien bonds which have been paid or redeemed or otherwise retired out of any such cash or proceeds or considerations.

(d) The Company further covenants and agrees that it will not apply for or obtain the release of any cash received or held by a trustee under any prior lien as required or permitted by the provisions of Article VII except upon compliance with the terms of Section 8.05 hereof, unless such cash shall thereupon be deposited with the Trustee to be held and applied by it as though such cash had originally been deposited with the Trustee.

and delivery of bonds or withdrawal or reduction of cash or release of property, sixty per cent (60%) of the cost or fair value to the Company (whichever is less, as certified to the Trustee pursuant to any provision of this Indenture) of property additions then constituting restricted property would exceed ten per cent (10%) of the aggregate principal amount of (1) all bonds then outstanding including any bonds then to be authenticated and delivered and (2) all prior lien bonds then outstanding secured by a prior lien on property theretofore bonded. The term "restricted property" as used in this subdivision (1) shall mean, as of any particular time, (i) property additions theretofore bonded (but excluding therefrom property additions then or theretofore released from the lien hereof, or property additions retired which then or theretofore have been deducted in determining net property additions), which were in each case at the time of bonding thereof, and continue to be, subject to a prior lien, and (ii) property additions theretofore bonded consisting of any property other than property used or useful for or to be used in the business of manufacturing, producing, generating, purchasing, transmitting, distributing or supplying electricity or gas (but excluding therefrom property additions then or theretofore released from the lien hereof, or property additions retired which then or theretofore have been deducted in determining net property additions).

Section 5.11. The Company covenants and agrees that it will not hereafter create or suffer to be created any lien, prior to the lien of this Indenture, upon the trust estate or any part thereof, or upon the income and profits thereof, except permissible encumbrances and in the case of property hereafter acquired, prior liens thereon (including purchase money mortgages or other liens created at the time of and in connection with the acquisition of such property by the Company) within the limits permitted by Sections 5.09 and 5.10 hereof; and that within four months after the acquiring

Section 5.10. (a) The Company covenants and agrees that it will not acquire any property (other than exempted property) which at the time of acquisition thereof shall be or become subject to any prior lien or liens, if, immediately subsequent to such acquisition, the principal amount of outstanding prior lien bonds would exceed fifteen per cent (15%) of the principal amount of bonds, at the time outstanding under this Indenture or five million four hundred thousand dollars (\$5,400,000), whichever is greater, unless at the date of acquisition of such property by the Company (i) the principal amount of outstanding prior lien bonds secured by such prior lien or liens shall not exceed sixty per cent (60%) of the cost of such property to the Company (which cost shall include the amount of any indebtedness assumed by the Company), and (ii) if such property constitutes an acquired plant or system, the net earnings of such property available for interest (computed without deduction for income, excess profits or other taxes measured by or dependent upon net taxable income), for a period of twelve consecutive calendar months within the fifteen calendar months immediately prior to the date of acquisition thereof by the Company, shall have been at least twice the annual interest charges on all prior lien bonds secured by such prior lien or liens immediately subsequent to the acquisition of such property by the Company; provided, however, that prior lien bonds for the payment or redemption of which the necessary funds have been deposited in trust with the trustee or other holder of such prior lien or liens, or with the Trustee, shall not be deemed to be outstanding or secured by such prior lien or liens.

(b) The Company covenants and agrees that it will not apply for or obtain the authentication and delivery of any additional bonds, the withdrawal of any cash, the reduction of any cash or the release of any property under any provision of this Indenture, if, as a result of such authentication

of any lawful claims or demands for labor, materials, supplies or other objects, which if unpaid might by law be given precedence over this Indenture as a lien or charge upon the trust estate or the income and profits thereof, the Company will pay or cause to be discharged or will make adequate provision to satisfy or discharge the same; provided, however, that nothing in this Indenture shall require the Company to pay, discharge or make provision for any lien, charge, claim or demand so long as it shall in good faith contest the validity thereof, unless thereby the trust estate or some material part thereof will be lost, forfeited or materially endangered.

The Company covenants and agrees that in case it shall hereafter create any mortgage upon the trust estate or any part thereof, other than indentures supplemental hereto and other than purchase money mortgages created by the Company at the time of acquisition of property, such mortgage shall be and shall be therein expressed to be subject to the prior lien of this Indenture for the security of all bonds issued hereunder at the time outstanding and of all bonds which may thereafter be authenticated and delivered hereunder as in this Indenture provided and permitted.

Section 5.12. The Company covenants and agrees that it will, from time to time, promptly pay and discharge or cause to be paid and discharged when due all taxes, assessments and other governmental charges, the lien whereof would be prior to the lien hereof, lawfully imposed upon the trust estate or any part thereof or upon the income and profits thereof, or upon the interest of the Trustee in the trust estate; provided, however, that nothing contained in this Indenture shall require the Company to pay or discharge any such tax, assessment or governmental charge, so long as it shall in good faith contest the validity thereof, unless thereby the trust estate or some material part thereof will be lost, forfeited or materially endangered.